LETSHEGO GHANA SAVINGS AND LOANS PLC

Registration number: PL000232015

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

LETSHEGO GHANA SAVINGS AND LOANS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

INDEX

CORPORATE INFORMATION

Directors	Mr. Blaise Mankwa	Independent Chairman
	Mr. Christian Sottie	Non-Executive Director - Independent Director
	Mr. Geoffery Kitakule	Non-Executive Director
	Mr. Ibrahim Obosu	Executive Director
Business Registrations Details	Incorporated in the Republic of Ghana Registration number: PL000232015 Date of incorporation: 23 October 2014 Date of commencement of operations: 28th October 2014	
Company Secretary	Sirdar Ghana Limited C934/3, 5th Crescent Asylum Down Accra, Ghana	
Attorneys / Legal Advisors	Keystones Solicitors 3rd Floor, Advantage Place Mayor Road, Ridge West Accra, Ghana	
Registered Address	4th Floor, Cocoshe House Street 1382A off Agostino Neto Road Airport-City, Accra Ghana	
Independent External Auditor	Ernst & Young 60 Rangoon Lane Cantonments City Accra, Ghana	
Bankers	Universal Merchant Bank Limited ABSA Bank Ghana Standard Chartered Bank Limited Fidelity Bank Ghana Limited Stanbic Ghana Limited Ghana Commercial Bank Limited	

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements of Letshego Ghana Savings and Loans PLC ('the Company') for the year ended 31 December 2023.

Principal activities

The Company is authorised to transact business as a Non-Banking Financial Institution.

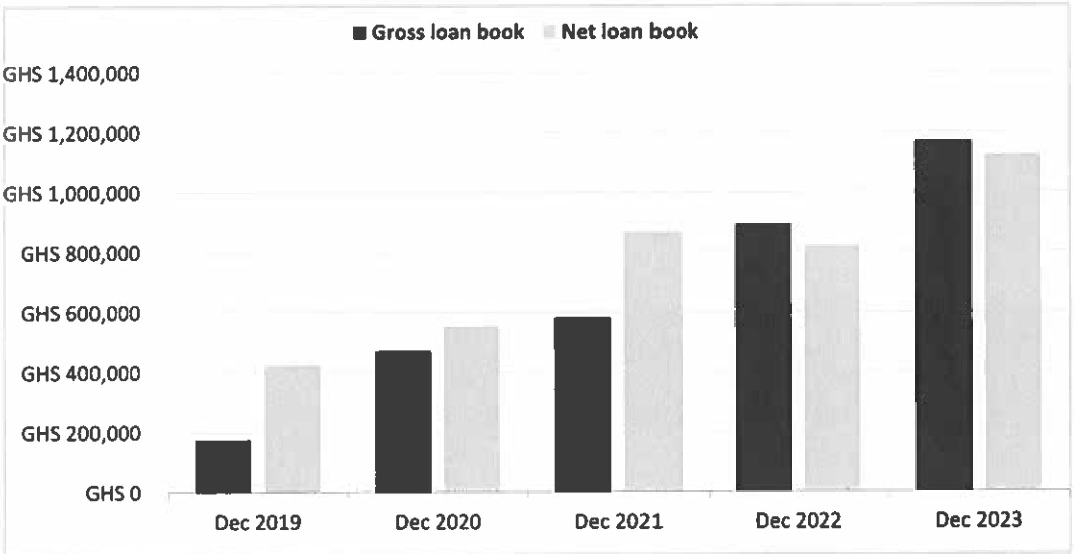
Payroll Loans	Mobile	Edu Solution
Letshego Ghana provides Deduction-at-Source loans to Government and private corporate employees in Ghana. Loan values range in value from GHS 1,000 to GHS 200,000 Repayment terms are from 3 to 84 months.	Mobile loan product (Qwikloan) is offered to customers on a short-term basis with repayment via mobile deduction. Loans are repayable in 30 days.	Our Edusolution is purposefully designed to support micro, small and medium-sized entrepreneurs in the educational sector with a current emphasis on private basic schools.
Insurance	**Rewards Program**	**LetsGo**
Because we want to help protect our customers' family in the event that life throws unexpected circumstances their way, we offer easy-to-understand, affordable credit life insurance on selected products. Risks currently covered include: • Life • Accidental death • Disability • Critical illness • Retrenchment	Letshego Ghana loan customers qualify for our Rewards program, which offers additional benefits including free accidental death cover.	LetsGo uses a simple mobile to mobile technology solution. Customers use their active mobile wallet to deposit and withdraw on a 24/7 basis, creating a fully accessible savings product.

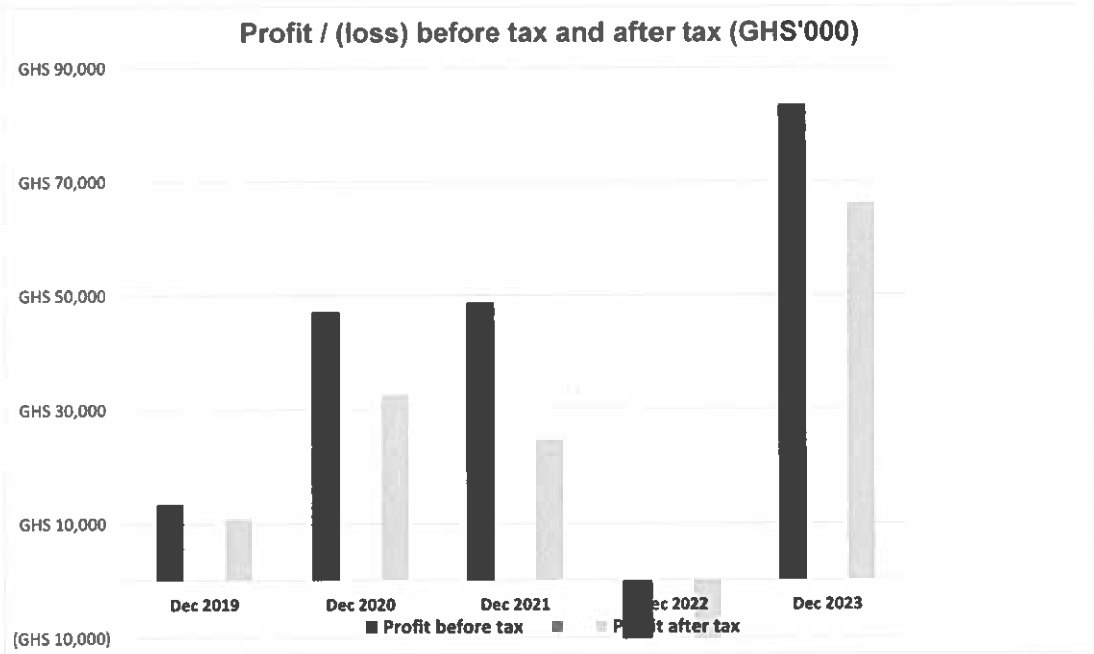
REPORT OF THE DIRECTORS (CONTINUED)

5-year company analysis

GHS'000	Dec 2019	Dec 2020	Dec 2021	Dec 2022	Dec 2023
Net Interest Income	129,013	79,697	91,214	68,446	144,715
Fee income	13,841	19,983	20,096	18,407	41,996
Profit / (loss) before tax	13,444	47,184	48,753	(20,436)	83,382
Net loan book	421,964	552,484	866,247	818,439	1,121,442

5-year company analysis (Continued)





LETSHEGO GHANA SAVINGS AND LOANS PLC

DIRECTORS' REPORT AND RESPONSIBILITY STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

REPORT OF THE DIRECTORS (CONTINUED)

Statement of Directors' responsibilities

The directors are responsible for the preparation of financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and of the profit or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and then applied them consistently, made judgments and estimates that are reasonable and prudent and followed the requirements of International Financial Reporting Standards as issued by International Accounting Standard Board including IAS29 Hyperinflation directive issued by the Institute of Chartered Accountants Ghana, the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit–Taking Institutions Act, 2017 (Act 930).

The directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company.The directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern

Holding Company

The Company is a subsidiary of Letshego Africa Holdings Limited, which acquired 100% of the Company effective 1 January 2018. Letshego Africa Holdings Limited incorporated in 1998, its headquarters is based in Gaborone, Botswana, and publicly listed on the Botswana Stock Exchange since 2002.

Financial results

The financial results for the year ended 31 December 2023 are set out below:

	31 December 2023	*Restated 31 December 2022
Profit / (loss) before tax	83,381,885	(20,436,092)
From which is deducted income tax expenses of	(17,207,232)	(16,685,863)
giving a profit / loss for the year after income tax of	66,174,653	(37,121,955)
from which is deducted transfer to statutory reserve of	(33,087,326)	-
and income surplus account brought forward of	(6,016,323)	37,587,175
leaving an income surplus amount carried forward of	22,244,217	(6,016,323)

Dividend

The directors do not recommend the payment of dividend for the year ended 31 December 2023 (2022: nil).

DIRECTORS' REPORT AND RESPONSIBILITY STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

Capacity building of directors to discharge their duties

The company ensures that only fit and proper persons are appointed to the Board after obtaining the necessary integrity checks have been performed. Letshego Ghana Savings and Loans PLC provides a formal and tailored training for directors annually. The directors attended structured programmes organized by Sirdar Ghana Ltd and National Banking College during the period under review. The training are provided to ensure directors continually update their skills and knowledge of the company's business to enable them effectively perform their role on the Board and its committees. The training organized by the National Banking College was on corporate governance framework.

Auditor and Audit fees

The auditor, Ernst and Young, has expressed willingness to accept appointment to be auditors for Letshego Ghana Savings and Loans PLC in accordance with Section 139 (5) of the Companies Act, 2019 (Act 992). As at 31 December 2023, the amount payable in respect of audit fees was GHS 487,564 (2022: GHS 408,365).

By order of the Board

BLAISE O. MANKWA	GEOFFERY KITAKULE
CHAIRMAN	DIRECTOR
Date : 30/04/2024	Date : 30/04/2024

BOARD OF DIRECTORS

Blaise Mankwa
Independent Non-Executive Director

Chairman of the Board of Directors

Mr. Blaise Mankwa became Chairman of the Board of Directors of Letshego Ghana Savings and Loans on March 15, 2017. With over five decades of experience in accountancy practice and banking, he began his banking career with Barclays Bank Ghana Limited in 1970, rising to a senior officer by 1977. He later pursued an accountancy course in the UK and joined KPMG Okoh & Co in Ghana as an audit senior. After qualifying as a Certified Chartered Accountant, Mr. Mankwa held positions at various institutions, including Ghana Commercial Bank (GCB), Standard Chartered Bank Ghana, Standard Chartered Bank Tanzania, and Standard Chartered Bank Zimbabwe. He served as Managing Director of Merchant Bank (now UMB) for four years.
Mr. Blaise Mankwa holds a Master of Business Administration (MBA) from Manchester Business School (UK) and Fellowships from various banking and accountancy institutes, including FCIB (UK), FCCA (UK), and FCMA (UK)).

Nii Amankra Tetteh
Chief Executive Officer

Nii Amankra Tetteh is the current Chief Executive Officer of Letshego Ghana. He began his banking career at Standard Chartered Bank in August 2001, advancing from Trade Operations assistant to Corporate Services Manager. In February 2006, he joined Barclays Bank, focusing on SME Banking and introducing innovations like the Business Club concept. Within Barclays Bank Ghana, he held roles such as Cluster Manager, Head of Retail Distribution, and ultimately Head of Retail Business. In 2014, he became Head of Branch Optimization for Barclays Africa markets.
Returning to Barclays Bank Ghana Limited in September 2016 as Director of Retail & Business Banking, Nii achieved significant results during the Retail Business's centenary year in 2017. He was appointed Managing Director/CEO of Bayport Savings and Loans PLC on December 1, 2017, leading strategic consolidation efforts and achieving record-breaking results. Nii proceeded to Universal Merchant Bank as Executive Director of Business in June 2021. He holds degrees from China Europe International Business School, University of Leicester, and University of Ghana, along with being an alumnus of Mfantsipim School.

Geoffrey Martin Kitakule
Non-Independent Non-Executive Director

Geoffrey possesses over two decades of experience in the finance industry. Currently, he holds the position of Letshego's Group Head of SME and Secured Lending, supervising operations across 11 countries in Sub-Saharan Africa.
Geoffrey served as the country CEO at Letshego Uganda for over ten years,
Geoffrey worked as the Lead Specialist in Corporate Finance Advisory at the East African Development Bank in Kampala Uganda in April 2008
He worked as an Investment Manager at the National Social Security Fund, managing pension funds.
In his earlier career, Geoffrey held the position of Planning & Analysis Manager at MTN Uganda for five years, where he was responsible for overseeing business operations and planning

Christian Tetteh Sottie
Independent Non-Executive Director

Mr. Christian Tetteh, retired Controller and Accountant General of Ghana (September 2016), managed government salary payments. He now advises the Ghana Revenue Authority on process improvement and technology for revenue collection. Additionally, he consults for institutions like the Bank of Ghana and Ghana Civil Aviation Authority, focusing on business and leadership. He serves on boards of SIC Company, Internal Audit Agency, Ghana Road Fund, and Ghana Interbank Payment Settlement System, appointed in July 2023.

Ibrahim Obosu
Executive Director

Ibrahim Obosu, a finance professional with over 15 years of experience, specializes in financial accounting, treasury management, operations, and strategic management. He focuses on driving growth and ensuring regulatory compliance.
Before his current role as Chief Operations Officer at Letshego Ghana, Ibrahim served as Head of Finance at Midindi Hotels. He spent 8 years on the Letshego Board and gained extensive experience as a Management Accountant and Head of Finance at Letshego Ghana. Ibrahim holds a bachelor's degree in Accounting, a Master of Science (MSc) in Microfinance from Pentecost University College, and is a Chartered Credit Professional. He joined the Board on September 1, 2010, as an Executive Director.

EXECUTIVE COMMITTEE

Poelo Mkpayah
Chief Finance Officer

Poelo has over 15 years of experience specializing in financial and management accounting, group reporting, audit and internal controls, treasury and cash flow management, cost optimization, covenant reporting, taxation, strategy formulation, budgeting and forecasts.
She joined Letshego Africa Holdings Limited in April 2014 where she served as a Finance Manager and later promoted to Head of Group Financial Reporting and Compliance. In June 2022, she was appointed the Regional Chief Financial Officer for the Letshego Ghana subsidiary. She holds a Bachelor's Degree in Accounting (University of Botswana) and a Fellow Chartered Accountant – UK ACCA

Akua Donnir
Chief Risk Officer

Akua has over 20 years of experience in Sales, Operations, Insurance, Credit Administration, Risk Management, Collections, and Recovery. She worked at Standard Chartered Bank in 2002, as a Direct Sales Executive, driving sales of banking products. She has a Bachelor's degree in Biochemistry (KNUST).
Akua pursued an MBA in finance and joined UT Bank in 2006, as Credit Manager, Branch Manager, and Retail Banking Manager. In 2016, she became Chief Operations Officer at AFB Ghana (Now Letshego Ghana), implementing robust operational procedures and successfully migrating the core banking platform.
Currently, she is the Chief Risk Officer for Letshego Ghana

Sam Donkor
Head of Business

Sam is an Executive Senior retail banker, Lawyer, insurance professional and sales distribution expert with over 18+ years' experience. His expertise spans business transformation, revenue generation, insurance, sales & distribution, and product development in Savings Loans, International Bank, Local bank, and Insurance sectors.

Sam is a member of the Ghana Bar Association with professional qualifications in Banking Law & Practice, Insurance Law, Business, and Family Law. He holds degrees in Law (LLB) and Economics from University of Ghana-Legon, Diploma in insurance from Chartered Institute of Insurers-CII-UK, Higher Diploma – CII in Business & Economics, Insurance Law. He is currently pursuing an LLM at Queen Mary University of London -UK.

EXECUTIVE COMMITTEE (continued)

Ibrahim Obosu
Chief Operations Officer

Ibrahim Obosu, a finance professional with over 15 years of experience, specializes in financial accounting, treasury management, operations, and strategic management. He focuses on driving growth and ensuring regulatory compliance.
Before his current role as Chief Operations Officer at Letshego Ghana, Ibrahim served as Head of Finance at Midindi Hotels. He spent 8 years on the Letshego Board and gained extensive experience as a Management Accountant and Head of Finance at Letshego Ghana. Ibrahim holds a bachelor's degree in Accounting, a Master of Science (MSc) in Microfinance from Pentecost University College, and is a Chartered Credit Professional. He joined the Board on September 1, 2010, as an Executive Director.

Emmanuel Yaw Boafo
Head, Internal Audit

Emmanuel Yaw Boafo is a Fellow of the Association of Chartered Certified Accountants (ACCA), a member of the Institute of Chartered Accountants Ghana (ICAG), and a member of the Institute of Internal Auditors (IIA) Ghana. With over 18 years' experience, he specializes in auditing, risk management, compliance, anti-money laundering, and accountancy. Previously, he worked at Deloitte and Touché Chartered Accountants, CFC Savings and Loans, and Bayport Savings and Loans Limited.

Serwaa Agyemang- Lamptey
Head, People and Culture

Serwaa Agyemang-Lamptey is a seasoned Human Resources executive with 10 years' experience. She began her HR career at the Ministry of Foreign Affairs before joining Ghana Commercial Bank. Serwaa practiced HR with Finatrade Group as an HR Generalist for 6 years, then served as Head of HR and Administration at Ghana Life Insurance before joining Letshego (previously AFB) in October 2015.

General information

Letshego Ghana Savings & Loans PLC is a licensed financial services provider in Ghana, providing innovative solutions to individuals across both the public and private sectors, as well as supporting Micro and Small Entrepreneurs.
The business first opened its doors in Ghana in September 2010 as African Financial Services (AFS) and later rebranded as African Finance Business (AFB) in 2013. The business has since grown steadily to a staff of over 120 employees, spread across 16 outlets and serving over 6 million customers through strategic partnerships, innovative technology and digital delivery channels.
In 2016, the business was wholly acquired by the Letshego Holdings Limited, Africa's largest payroll lender.
Letshego Ghana Savings and Loans offers innovative financial solutions to staff of selected parastatals land universities like Ghana Armed Forces, Ghana Police, University of Cape Coast, University of Mines and Technology, Ghana Water Company Limited and all Government employees.
Letshego has been at the forefront of digital lending in Ghana, serving over 5 million customers with innovative financial solutions since 2017 through partnerships with MTN and JUMO.
Currently Letshego Ghana is the largest Savings and Loans companies in Ghana with regards to customer numbers and is considered as one of the fastest growing financial institutions on the market.

CORPORATE GOVERNANCE REPORT

Letshego Ghana Savings and Loans operates in accordance with the Group wide Enterprise Risk Management framework which underpins the corporate governance principle of the business.
These principles and practices are guided by the Corporate Governance Directive 2018 (the Directive), Corporate Governance Disclosure Directive 2022 and the Fit and Proper Persons Directive 2019 issued by the Bank of Ghana, as well as the Basel Committee standards on corporate governance which constitutes the best of international practice in this area.

The key guiding principles of the business' governance practices are:
ii. The respective roles of shareholders, board of directors and management in the governance architecture should be clearly defined; and

iii. The board of directors should have a membership of at least 30% independent directors, defined broadly as directors who do not have more than 5% equity interest directly or indirectly in the Bank, are not employed by the group or company, or who are not affiliated with organizations with significant financial dealings with the group as provided by the Directive.

iv. Accountability and Responsibility: Ensuring clear assignment of responsibilities and accountability for decision-making at all levels within the organization.

v. Transparency: Requiring transparent disclosure of financial and non-financial information to stakeholders, including shareholders, regulators, and the public

vi. Integrity and Ethical Behavior: Promoting ethical behavior and integrity among board members, management, and employees, with an emphasis on avoiding conflicts of interest and maintaining confidentiality.

CORPORATE GOVERNANCE REPORT (continued)

These principles have been articulated in a number of corporate governance documents, including the company's constitution, a corporate governance charter, rules of procedures for Boards, a code of conduct for directors and rules of business ethics for staff

The Board of Directors

The Board assumes the critical role of charting the institution's strategic trajectory, overseeing its operations, and supervising the executive management's activities.
As of December 31, 2023, Letshego Ghana Savings and Loans' Board of Directors comprised four members, ensuring at least seventy five percent Ghanaian representation. The composition includes one Executive Director and three Independent Non-executive Directors,
Whilst the size and composition of the board is not fully compliant to ensure appropriate balanced distribution of power and authority between executive and non-executive members in line with section 29 of the Ghana Corporate Governance Directive, Letshego Ghana was in the process of obtaining approval for three additional independent Board members to ensure full compliance.
Leveraging on the extensive experience and requisite knowledge of the board, decisions were of utmost priority to ensure attainment of strategic objectives.
In the year under review, the Board convened six times, exceeding the minimum required meetings stipulated in Section 39 of the Corporate Governance Directive. In response to the needs of the business.
The Board bears overall responsibility for the institution, encompassing the endorsement and oversight of strategic objectives, risk strategies, corporate governance, and corporate values.
It undertakes the appointment and oversight of senior management, ensuring a meticulous and well-structured selection process compliant with the Fit and Proper Directive, as outlined in Sections 10 and 11 of the corporate governance directive. These responsibilities are delineated in the Board Charter. Additionally, within 90 days of each financial year's commencement, the Board certifies general compliance with the Directive. It independently evaluates and documents the institution's corporate governance process, confirming its alignment with established objectives.
The Directors are fully cognizant of their duties. Furthermore, the Board commits to reporting full disclosure and transparency reporting in the annual financials to the Bank of Ghana.

CORPORATE GOVERNANCE REPORT (continued)

Audit Committee

To bolster corporate governance in accordance with Sections 49 to 58 of the Directive and align with best practices, the Board delegates its authority to the following board committees, the Audit and Finance, Risk and compliance and Cyber and Information Security. These committees are tasked with specific memberships and functions as follows:

Audit Committee

Christian Sottie	Chairperson
Ibrahim Obosu	Member
Geoffery Kitakule	Member

The Board Audit Committee is made up of a majority of independent Directors who are all non-executive, with at least 30% Ghanaian membership. The Committee performs the following functions among others:

- Receive audit reports and ensuring that Management takes the necessary corrective actions in a timely manner to reinforce a robust control environment and high levels of compliance with policies, laws and regulations and recommendations to the auditors as well matters referred to the committee by the Board.
- Review and approve the organization's financial statements, including the adequacy and consistency of accounting policies and practices, to ensure transparency and accuracy in financial reporting.
- Provide oversight of the internal and external audit functions, the appointment, compensation and removal of auditors, reviewing and approving the audit scope and frequency.
- Evaluate the effectiveness of the organization's internal control environment, including assessing the adequacy of controls to mitigate risks and prevent fraud

The summary of work carried out by the Board Audit Committee during the year includes assisting the Board ensure the adequacy of the institution's audit function, promote, evaluate, and monitor the effectiveness and independence of the Internal Audit, ensured the adequacy of controls, processes and systems that guarantee the reliability and integrity of financial and operational reporting, and ensured adherence to laws, regulations, policies and contracts.

CORPORATE GOVERNANCE REPORT (continued)

Risk Committee (Continued)

Christian Sottie	Chairperson
Ibrahim Obosu	Member
Geoffery Kitakule	Member

The Board Risk Committee comprises directors from all categories, with at least 30% Ghanaian membership, and undertakes various functions, including but not limited to:

- Reviewing the assessment and quantification of the institution's key risks.
- Providing guidance, oversight, and support to foster and sustain a robust risk culture across the institution.
- Providing overarching scrutiny and mitigation of senior management's daily risk management and mitigation mechanisms.
- Offering overarching scrutiny and evaluation of the institution's scenario analysis and stress-testing processes.
- Reviewing the capital adequacy and liquidity management of the institution.
- Overseeing and evaluating due diligence on risk-related matters concerning significant transactions and strategic proposals requiring Board approval.

The Board Risk Committee's scope of work includes advising the Board on the institution's risk tolerance and appetite, supporting strategy formulation, including Anti-Money Laundering and the Financing of terrorism (AML/CFT).

Cyber and Information Security Committee

Geoffrey Kitakule	Chairperson
Ibrahim Obosu	Member
Christian Sottie	Member
Eric Holmes	Member (Group Invitee)

The Committee is mandated to perform the following responsibilities:

- Reviewing long-term strategic direction concerning technology.
  Reviewing management Information Technology (IT) strategies, projects, and decisions related to systems architecture.
- Evaluating the institutions IT initiatives in aligning with its business objectives and strategies.
- Engaging in discussions with the institution's senior IT management team.
- Reporting to the Board of Directors informed about key IT-related issues.
- Reviewing and evaluating Cyber Security Reports strategic directives for the institution's cyber security and providing oversight for the formulation of policy to allow effective implementation.
- Monitoring the effectiveness of the institution's preparedness to withstand cyber-attacks and review management's recommendation for implementation.
- Reporting to the Board informed and updated on the company's Cyber Security strategy and posture.

CORPORATE GOVERNANCE REPORT (continued)

The Board Cyber and Information Security Committee's responsibilities encompass reviewing the implementation of cyber and information security strategies devised by management. It assumes oversight responsibilities over the institution's IT strategies, reviewing the financial, tactical, and strategic advantages of proposed significant IT projects and technology architecture options. Additionally, it conducts thorough evaluations of the advancement of major IT projects and technology architecture determinations. The committee also guarantees management's adherence to laws, regulations, standards, policies, pertaining to cyber security directive.

Engagements of Directors

In accordance with the Directive, directors are limited to holding a maximum of five directorship positions concurrently in financial and non-financial companies, including offshore engagements. Before accepting an additional role, directors must ensure that no conflicts of interest will arise.

Additionally, they are obligated to assure that accepting the appointment will not compromise their ability to fulfill their duties as directors of the Letshego Ghana Savings and Loans. Information regarding external directorship positions held by the directors are referenced in the table provided below.

CORPORATE GOVERNANCE REPORT (continued)

Profile of Directors

Director	Qualification	Position	Other Board Membership and Management Positions (Section 45 of the Directive)
Blaise Mankwah	Retired Banker	Board Chairman	Director, Renal Africa Group
Geoffrey Kitakule	Banker	Non-Independent Non-Executive Director	Letshego Group, Head of Strategic Operations Director, Letshego Uganda Director, Letshego Kenya Shareholder/Director, GKEnviro Logistics Ltd Shareholder/Director, GKFOODS Ltd Director/Shareholder, AK Communications Ltd Director/Shareholder, ATS Co Ltd Director/Shareholder Kitakule Foundation Ltd Director/Shareholder St. James Developments Ltd
Christian Sottie	Retired Controller	Independent Non-Executive Director	Internal Audit Agency Board (Rep, ICA Ghana) SIC Insurance Board
Ibrahim Obosu	Banker	Executive Director	NONE

CORPORATE GOVERNANCE REPORT (continued)

The annual meeting calendar during the year 2023

QUARTER	MEETING	DATE
Quarter 1	Board Meeting	9th March 2023
	ARC Committee Meeting	20th March 2023
Quarter 2	Shareholders Conference/AGM	27 July 2023
	Board Meeting	2nd August, 2023
	ARC Committee Meeting	2nd August, 2023
Quarter 3	Strategy Session	2 August 2023
	Board Meeting	27th October, 2023
	ARC Committee Meeting	27th October, 2023
Quarter 4	Board Meeting	8th December, 2023
	ARC Committee Meeting	8th December, 2023

2023 BOARD AND COMMITTEE MEETINGS ATTENDANCE

AUDIT AND RISK COMMITTEE- 2023 ATTENDANCE

TIME	DATE	CHAIRPERSON	MEMBER	MEMBER
Quarter 1	20 April	Christian Sottie	Geoffrey Kitakule	Ibrahim Obosu
Quarter 2	2 August	Christian Sottie	Geoffrey Kitakule	Ibrahim Obosu
Quarter 3	27 October	Christian Sottie	Geoffrey Kitakule	Ibrahim Obosu
Quarter 4	8 December	Christian Sottie	Geoffrey Kitakule	Ibrahim Obosu

CYBER AND INFORMATION SECURITY COMMITTEE-2023 ATTENDANCE

TIME	DATE	CHAIRPERSON	MEMBER	MEMBER
Quarter 1	9 March	Geoffrey Kitakule	Christian Sottie	Ibrahim Obosu
Quarter 2	20 April	Geoffrey Kitakule	Christian Sottie	Ibrahim Obosu
Quarter 3	2 August	Geoffrey Kitakule	Christian Sottie	Ibrahim Obosu
Quarter 4	20 April	Geoffrey Kitakule	Christian Sottie	Ibrahim Obosu

Planned Board Committee activities for 2024

The following activities are scheduled for the Board Committees for the year 2024:

- Quarterly Board Committee meetings
- Annual Performance Evaluation of the Board Committees
- Half-yearly AML/CFT training and attestation
- Corporate governance training for All Board committee members
- Training activities specific to the needs of the Audit, Risk, Cyber

Planned activities of the Board Committees for 2024

	Proposed Date	Participants
1. Deposit Mobilization		
Strategy offsite to discuss Product Margin Analysis	23rd January 2024	Board & CMC
Special Approval for 2023 Financials	27th March 2024	Board, Company Secretary & External Auditors
2. ARC Meeting (1st Quarter)		
Audit & Finance Committee	23rd April 2024	Board, Company Secretary, CFO & Finance Manager
Risk & Compliance Committee	23rd April 2024	Board, Company Secretary, CRO & Risk Manager
Cybersecurity Risk Committee	23rd April 2024	Board, Company Secretary & CISO
3. Board Meeting (1st Quarter)		
Board Meeting	25th April 2024	Board & Company Secretary

Special Approval for 2024 Financials (Q1)	26th June 2024	Board, Company Secretary, CFO & External Auditors
4. Half-Year Review		
Review 2024 Strategy with Board to measure performance	22nd July 2024	Board & CMC
5. ARC Meeting (2nd Quarter)		
Audit & Finance	23rd July 2024	Board, Company Secretary, CFO & Finance Manager
Risk & Compliance	23rd July 2024	Board, Company Secretary CRO & Finance Manager
Cybersecurity Risk	23rd July 2024	Board, Company Secretary & CISO
6. Board Meeting (2nd Quarter)		
Board Meeting	24th July 2024	Board & Company Secretary
Special Approval for 2024 Financials (Q2)	25th September 2024	Board, Company Secretary & External Auditors
7. ARC Meeting (3rd Quarter)		
Audit & Finance	22nd October 2024	Board, Company Secretary, CFO & Finance Manager
Risk & Compliance	22nd October 2024	Board, Company Secretary, CRO & Risk Manager
Cybersecurity Risk	22nd October 2024	Board, Company Secretary & CISO
8. Board Meeting	25th October 2024	Board & Company Secretary

Special Approval for 2024 Financials (Q3)	27th November 2024	Board, Company Secretary, CFO & External Auditors
9. Full Year Review (4th Quarter)		
Strategy Session	10 & 11th December 2024	Board, Company Secretary, CMC & Invitees
10. ARC Meeting (4th Quarter)		
Audit & Finance	12th December 2024	Board, Company Secretary, CFO & Finance Manager
Risk & Compliance	12th December 2024	Board, Company Secretary, CRO & Risk Manager
Cybersecurity Risk	12th December 2024	Board, Company Secretary & CISO
11. Board Meeting (4th Quarter)		
Board Meeting	13th December 2024	Board & Company Secretary

Letshego Code of Conduct

The Letshego Code of Conduct is rooted in principles and revolves around understanding our Guiding Lights and values, which shape our conduct within the workplace, as well as our interactions with communities, customers, and stakeholders. It serves as a beacon, guiding us to uphold our values and principles, emphasizing the importance of integrity, accountability, and respectful treatment of individuals.

At Letshego, we uphold the highest standards of ethics, integrity, and behavior in all our dealings with clients, colleagues, and stakeholders. This commitment encompasses full compliance with all legal obligations mandated by statutes, regulations, rules, or professional standards, ensuring ethical and responsible conduct at all times.

As an integral part of Letshego's corporate governance framework, management has disseminated the principles outlined in the code of conduct to all employees. This code serves as a fundamental framework, providing guidance on appropriate behaviors and business conduct. It acts as a reference point across various dimensions of employee interactions, encompassing relationships with fellow employees, customers, suppliers, government officials, regulators, joint venture partners, competitors, and the broader community. Both employees and the Board have acknowledged their understanding of the code of conduct by signing off on it, along with acknowledging the sanctions for any breaches

Recruitment, Induction and Training of New Directors

Individuals selected to serve on the Letshego Board possess a diverse array of skills and backgrounds essential for providing strategic direction to the organization. These backgrounds include expertise in business, banking, accounting, audit, law, IT, and other relevant areas.

Upon appointment, all new directors receive a formal letter outlining the terms governing their tenure on the Board. Additionally, in accordance with the Companies Act, 2019 (Act 992) and the Bank's Constitution, the oldest serving directors are required to retire at each annual general meeting. However, they may seek re-election if they choose to do so, subject to shareholder approval as recommended by the Board. The tenure of non-executive directors is regulated by the Bank of Ghana directive on corporate governance, which imposes a maximum service period of nine years.

New board members undergo a comprehensive induction program that provides an overview of the Group's financial, strategic, operational, and risk management aspects. Key executive management and business unit leaders also deliver presentations on the presentations to the new board members to familiarize themselves with the organization's operations.

Board Qualifications and Composition

Per Section 23 of the Directive, all Board members are deemed qualified for their roles and are required to maintain their qualifications through ongoing training. They possess a comprehensive understanding of their responsibilities in corporate governance and demonstrate the ability to make sound and impartial judgments regarding Letshego's affairs. Additionally, they collectively and individually possess the necessary experience, competencies, and personal attributes, including professionalism and integrity.

Remuneration Structure

In line with market practice, Non-executive directors receive an hourly rate charge per meeting quarterly. This approximates to about USD 3,000 quarterly for their service on the Board and additional compensation of USD 1,200 and USD 1,500 per sitting for committee members and chairpersons, respectively. The remuneration of Board members is subject to shareholder approval based on the Board's recommendation.

Executive directors however do not receive additional remuneration package but are eligible for long-term incentives on the same terms as other employees.
The Board oversees the design and implementation of the Institution's compensation system and regularly reviews it quarterly through the CEO's report to ensure alignment with prudent risk management practices. It ensures that remuneration levels are adequate to attract, retain, and motivate Executive Officers. The board reviews staff salary surveys conducted by the Human Resource department to ensure fair equity on the market in terms of remuneration and can advise where necessary.

Annual certification

In accordance with section 12 of the Directive, the Board certifies that the Institution is compliant with the Directive. The Board further certifies that;

- ✓ It has independently assessed and documented the corporate governance process of the Bank and that it is effective and has successfully achieved its objectives.
- ✓ Directors are aware of their responsibilities to the Bank as persons charged with governance.
- ✓ No material deficiencies and weaknesses have been identified in the course of the year.

Directors are required to obtain certification from the National Banking College, or any other institution recognized by the Bank of Ghana to the effect that they have participated in a corporate governance programme and have completed a programme on Directors' responsibilities.

During the year, as part of regulatory requirements for director certification, all directors of the institution completed their Corporate Governance Programme for 2023, organized by the National Banking College.

The certification programme covered the following topics;
- Cyber Risk Governance and Management
- Fraud Risk Governance and Prevention
- Driving ESG Practices: Board's role from ESG strategy to reporting.

Board Evaluation

The Board confirms its compliance with Section 46 and 48 of the Directive regarding Board performance evaluation and AML/CFT Evaluation. As stipulated in section 47, Letshego undergoes a formal and thorough evaluation of its performance every year with external facilitation, as per the Corporate Governance Directive. The most recent external evaluation of the Board, conducted by Sirdar, took place in 2022.
The evaluation criteria assessed the Board's effectiveness across various domains, including Board Policy and Procedure, Board Renewal and Succession, Board Capability, Performance, and Effectiveness, Board Structure and Operations, Strategy, Growth, and Innovation, Operational Improvement and Sustainability, Risk Appetite and Oversight, and Effective Reporting and Stakeholder Management. The comprehensive report was submitted to the Bank of Ghana in March 2023, addressing any identified areas for improvement. The next external evaluation is scheduled for 2023 and has been conducted.

Business Strategy

During the reporting period, the Board sanctioned and oversaw the Bank's overarching business strategy, ensuring alignment with the institution's long-term financial objectives, risk exposure, and proficient risk management, in accordance with section 13 of the Directive.

Additionally, the Board authorized the development and execution of a comprehensive risk strategy, encompassing risk tolerance/appetite, risk policies, risk management and compliance protocols, including measures to mitigate Anti-money Laundering and Combat the Financing of Terrorism (AML/CFT) risks, internal control mechanisms, corporate governance frameworks, principles, and corporate values, including the establishment of a code of conduct or equivalent documentation, as well as a remuneration system

Risk Management and Internal Controls

The Letshego Board has established a robust internal control system in compliance with Sections 64 and 67 of the Directive and has implemented an effective risk management framework. Key Management Personnel assigned to these roles possess the necessary authority, independence, stature, resources, and direct access to the Board.

The internal controls have been structured to ensure that each significant risk is accompanied by appropriate policies, procedures, or other measures, along with corresponding controls to verify their application and effectiveness.

In accordance with Section 68 of the Directive, Letshego also maintains a head of Internal Audit who remains impartial from the Bank's audited activities and business line responsibilities. Possessing professional competence in financial information analysis, audit evidence evaluation, and stakeholder communication, the Head of Internal Audit is well-versed in auditing techniques and methodologies. Reporting directly to the Audit Committee and with direct access to the Board, the Head of Internal Audit ensures the integrity of the internal audit function.
Recognizing the pivotal role of external auditors in the corporate governance framework, the Board has enlisted the services of Ernst & Young Chartered Accountants (EY), an independent, competent, and qualified external auditor, in accordance with Section 71 of the Directive.

Key Management Oversight

In compliance with Sections 18 and 63 of the Directive, the Board actively monitors and verifies that the actions of Key Management Personnel align with the approved strategy and policies, including the risk tolerance/appetite and risk culture.
The Board has ensured the establishment of a management structure that fosters accountability and transparency, overseeing the implementation of suitable systems to manage both financial and non-financial risks inherent to the institution.
Letshego has recruited skilled and capable staff and offers training and development opportunities to sustain the achievement of short and long-term business objectives, as well as to uphold the risk management framework safeguarding the institution's reputation.

Succession Planning

In accordance with Section 17 of the Directive, Letshego diligently pursues a robust talent and succession management process, recognizing that our success relies on our ability to attract and retain top talent in the industry, while also maintaining a deep bench strength to ensure smooth leadership continuity. Letshego fosters a culture of regularly reviewing and refreshing the succession pipeline to adapt to the dynamic nature of the talent landscape. Departmental heads and Human resources department are empowered to take ownership of the succession management process from start to finish within their respective areas. Our succession planning process prioritizes all critical roles at every level of the organization to ensure continuity in business and leadership.
Letshego is committed to fostering an environment that empowers staff to achieve their career aspirations through internal promotions and appointments.
The Board, through semi and annual engagements with the Executive committee members actively addresses succession planning by advising on its composition and structure, implementing transparent appointment processes for directors, and ensuring the Board remains informed about strategic commercial developments affecting its mandate area.

Corporate Culture and Values

Letshego has cultivated a corporate culture and set of values that foster responsible and ethical behavior, particularly concerning risk awareness, risk-taking, and risk management, as outlined in section 15 of the Directive. This is accomplished through the commitment of Letshego's board members to establish and uphold corporate values. Moreover, key management and employees are instrumental in fostering expectations that business is conducted in a legal and ethical manner at all times.

The corporate values and professional standards set by Letshego, along with supporting policies and measures for addressing unacceptable behaviors, are effectively communicated to all employees. This ensures a shared understanding and commitment to upholding ethical principles throughout the organization.
Letshego inspires on-boarding employees with its history, values, culture, governance and strategic intents that are empowering.

Separation of Powers

A clear division of responsibilities exists between the roles of the Board Chair and the Managing Director, as mandated by Section 19 of the Directive. This ensures a separation of powers within the organization, with distinct roles and responsibilities assigned to each position. The Board Chair provides strategic oversight and direction, while the Managing Director is responsible for the day-to-day operations and implementation of the Board's decisions. This separation of powers helps to maintain accountability, transparency, and effective governance within the bank.

Conflict of Interest

In accordance with Paragraph 59 of the Corporate Governance Directive, 2018, and sections 192 and 194 of the Companies Act, 2019 (Act 992), Letshego has implemented a Conflict-of-Interest Policy to ensure directors avoid both actual and perceived conflicts of interest or situations where their personal conduct could compromise their judgment in fulfilling their duties to the institution. Under this policy. The primary aim of the conflict of interest policy is to facilitate the unbiased management of any actual, apparent, or perceived conflicts of interest concerning the decision-making or actions related to the operations of Letshego Ghana. This is to ensure that individuals are not improperly swayed by secondary interests.

The stipulated minimum standards detailed in this policy are applicable to all employees and directors of the institution and its subsidiary entities. The Board conducts annual reviews of actual or potential conflicts of interest to ensure compliance with the provisions outlined in Paragraphs 59 and 60 of the Directive.
Directors are obligated to disclose any direct or indirect interests they hold, or are related to, annually and at each board meeting, particularly if these interests are pertinent to Board actions. They are also expected to abstain from voting on matters involving such interests. Directors are further bound by a duty to avoid situations that may create a genuine or significant risk of conflict of interest or duty regarding any matters brought before the Board.
Throughout the year, no director held a significant interest in any contract of material importance with the institution or any of its subsidiary undertakings.

END

Building a better
working world

Ernst & Young Chartered Accountants
60 Rangoon Lane
Cantonments City, Accra, Ghana
P. O. Box KA 16009
Airport Accra, Ghana

Tel: +233 302 772001
+233 302 772091
ey.com

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LETSHEGO GHANA SAVINGS AND LOANS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Letshego Ghana Savings and Loans Plc (the Financial Institution) set out on pages 40 to 98, which comprise the statement of financial position and the statement of profit or loss and other comprehensive income as at 31 December 2023, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Letshego Ghana Savings and Loans Plc as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board including the IAS29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana and the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit -Taking Institutions Act, 2016 (Act 930).

Basis for opinion

We conducted our audit in accordance with Internal Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Financial Institution in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, we have provided our description of how our audit addressed the matter as provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The result of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How the matter was addressed in the audit
Allowance for expected credit losses on loans and advances to customers	
IFRS 9 introduced a forward-looking Expected Credit Loss (ECL) model. The ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECL's recognized as a loss allowance or provision depends on the extent of credit deterioration since the initial recognition and recognition of impairment could be done on a 12-month expected credit losses or lifetime expected credit losses. Impairment computations under IFRS 9 therefore involves the use of models that takes into account: • The probability-weighted outcome. • Reasonable and supportable information that is available without undue cost or Loan loss provision is a key area of judgement for management. Significant judgements in the determination of the Bank's Expected Credit Loss includes: • Use of assumptions in determining ECL modelling parameters. • Portfolio segmentation for ECL computation • Determination of a significant increase credit risk and • Determination of associations between macroeconomic scenarios. The use of different models and assumptions can significantly affect the level of allowance for expected credit losses on loans and advances to customers. Due to the significance of such loans which account for about 75% of total assets of the financial institution, and the significant use of judgements, the assessment of the allowance for expected credit losses is a key audit matter. The information on expected credit losses on loans and advances to customers is provided in Note 7 and 31 'Allowance for expected credit losses on financial assets' of the financial statements.	We obtained an understanding of the Bank's credit risk modelling methodology. We validated and tested the ECL model of the Bank by assessing the data integrity and the internal controls around the model. We have also performed, among others, the following substantive audit procedures: • Reviewed the accounting policies and framework of the methodology developed by the Bank in order to assess its compliance with IFRS 9; • Verified sampled underlying contracts of financial assets to determine the appropriateness of management's classification and measurement of these instruments in the ECL model; • Reviewed and tested the methodology developed to calculate loan loss provision under IFRS 9, concentrating on aspects such as factors for determining a 'significant increase in credit risk', staging of loans, testing specific models related to Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) ; • Tested the accuracy and completeness of data used in modelling the risk parameter, Recalculating the ECL; • Reviewed forward looking information / multiple economic scenario elements; • For stage 3 exposures, we tested the reasonableness of the assumptions underlying the impairment identification and quantification including forecasts of future cash flows, valuation of underlying collateral, estimated period of realization for collaterals, etc; • We have also analyzed information relating to the allowance for expected credit losses on loans and advances to customers disclosed in the Notes to the financial statements of the Bank.

Building a better working world

Other information

The Directors are responsible for the other information. The other information comprises the information included in the 98-page document titled "Letshego Ghana Savings and Loans Plc" Annual Report and Financial Statements for the year ended 31 December 2023". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board including the IAS 29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana and the requirements of the Companies Act, 2019 (Act 992) and the and the Banks and Specialized Deposit-Taking Institutions Act, 2016(Act 930) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Financial Institution's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Financial Institution or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Financial Institution's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Financial Institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Financial Institution to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal requirements

The Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii. In our opinion, proper books of account have been kept by the Financial Institution, so far as appears from our examination of those books;

iii. The statement of Financial Position and the statement of comprehensive Income (statement of profit or loss and other comprehensive Income) of the Financial Institution are in agreement with the underlying books of account.

iv. In our opinion, to the best of our information and according to the explanations given to us, the accounts give the information required under the Act, in the manner so required and give a true and fair view of the state of affairs of the Financial Institution at the end of the financial year and of the profit or loss for the financial year then ended;

v. We are independent of the Financial Institution pursuant to section 143 of the Companies Act, 2019 (Act 992).

The Banks and Specialized Deposit-Taking Institutions Act, 2016, (Act 930) under Section 85 (2) requires that we report on certain matters. Accordingly, we state that:

i. The accounts give a true and fair view of the statement of affairs of the Financial Institution and the results of operations for the year under review;

ii. We were able to obtain all the information and explanations required for the efficient performance of our duties;

iii. The transactions of the Financial Institution are generally within the powers of the Financial Institution;

iv. The Financial Institution has generally complied with the provisions of the Financial Institution's and Specialised Deposit-Taking Institutions Act, 2016, (Act 930).

The Financial Institution has generally complied with the provisions of the Anti-Money Laundering Act, 2008, (Act 749), the Anti-Terrorism Act, 2008 (Act 762) and regulations made under these enactments.

Other matters

The Financial Institution has generally complied with the provisions of the Corporate Governance Disclosure Directive 2022 issued by the Bank of Ghana.

The Engagement Partner on the audit resulting in this independent auditor's report is Pamela Des Bordes (ICAG/P/1329).

Ernst & Young

Ernst & Young (ICAG/F/2024/126)
Chartered Accountants
Accra, Ghana

Date: 30/04/24

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	31 December 2023	*Restated 31 December 2022	*Restated 1 January 2022
ASSETS				
Cash and cash equivalents	5	84,974,744	58,283,098	141,299,577
Investment securities	6	203,080,980	183,165,074	257,803,447
Loans and advances to customers	7	1,121,442,362	818,438,842	866,246,706
Other assets	8	64,437,445	15,695,625	28,042,277
Deferred income tax asset	17d	5,925,082	5,972,411	11,954,306
Property and equipment	9	4,953,192	3,332,786	3,104,398
Right of use assets	10	2,466,097	4,249,998	3,429,625
Intangible assets	11	1,315,781	984,579	1,052,983
Total assets		**1,488,595,683**	**1,090,122,413**	**1,312,933,319**
LIABILITIES				
Customer deposits	12	185,002,959	16,708,043	129,855,016
Financial liabilities at fair value through profit or loss	14	3,184,069	-	-
Collateral security deposit	16	399,252,173	266,239,434	364,409,846
Other liabilities	13	20,572,547	17,361,107	36,777,050
Lease liability	15	85,069	16,949	65,752
Current income tax	17	10,828,060	11,770,463	13,247,319
Borrowings	18	596,144,677	652,174,941	654,831,525
Total liabilities		**1,215,069,554**	**964,270,937**	**1,199,186,508**
EQUITY				
Stated capital	19	162,046,314	80,546,314	30,546,314
Retained earnings		22,244,217	(6,016,323)	31,105,632
Statutory reserves	22	84,408,811	51,321,485	51,321,485
Credit risk reserves	23	4,826,787	-	-
Share based payment reserve	24	-	-	773,380
Total shareholders' equity		**273,526,129**	**125,851,476**	**113,746,811**
Total liabilities and equity		**1,488,595,683**	**1,090,122,413**	**1,312,933,319**

*During the financial year under review, the Company corrected a prior period error related to the computation of expected credit losses. Refer to Note 37 for the accounting implications resulting from the restatement of the Company's previously reported financial statements as a result of the error.

The accompanying notes form an integral part of these financial statements

The financial statements on pages 34 to 37 were approved by the Board of Directors and signed on its behalf by:

Signature:

Name of Director: BLAISE O. MANKWA

Date: 30/04/2024

Signature:

Name of Director: GEOFFERY KITAKULE

Date: 30/04/2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	31 December 2023	*Restated 31 December 2022
Interest income at effective interest rate	25	550,535,927	442,301,923
Other Interest and similar income	26b	1,478,113	977,894
Interest expense at effective interest rate	28	(407,164,855)	(374,475,113)
Interest and similar expense	29b	(133,709)	(358,265)
Net interest income		**144,715,476**	**68,446,439**
Fee and commission income	26	41,996,484	18,406,757
Commission expense	30	(60,225,169)	(34,661,397)
Other operating (loss) / income	27	(6,282,794)	50,023,650
Operating income		**120,203,997**	**102,215,449**
Net expense on financial liabilities at fair value through profit or loss	29	(3,282,898)	-
Credit gain / (loss) expense on loans and advances	31	18,104,158	(47,831,671)
Credit gain / (loss) on investment securities	34	6,666,074	(30,943,445)
Net operating income		**141,691,331**	**23,440,333**
Personnel expenses	32	(24,149,716)	(16,516,485)
Operating expenses	33	(34,159,730)	(27,359,940)
Total operating expenses		**(58,309,446)**	**(43,876,425)**
Profit before taxation		**83,381,885**	**(20,436,092)**
Income tax expense	17a	(17,207,232)	(16,685,863)
Profit / (loss) for the year		**66,174,653**	**(37,121,955)**
Total comprehensive income / (loss) for the year		**66,174,653**	**(37,121,955)**
Earnings / (loss) per share			
Basic and diluted (Ghana cedis)	20	2.54	(2.90)

*During the financial year under review, the Company corrected a prior period error related to the computation of expected credit losses. Refer to Note 37 for the accounting implications resulting from the restatement of the Company's previously reported financial statements as a result of the error.

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Stated capital	Retained earnings	Statutory Reserves	Credit Risk Reserves	Total equity
At 1 January 2023		**80,546,314**	**(6,016,323)**	**51,321,485**	-	**125,851,476**
Total comprehensive income		-	66,174,653	-	-	66,174,653
Transfer to statutory reserves		-	(33,087,326)	33,087,326	-	-
New share capital issued	19	81,500,000	-	-	-	81,500,000
Transfer to credit risk reserves	23	-	(4,826,787)	-	4,826,787	-
As at 31 December 2023		**162,046,314**	**22,244,217**	**84,408,811**	**4,826,787**	**273,626,129**

	Note	Stated capital	Retained earnings	Statutory Reserves	Share based payment reserve	Total equity
Balance as at 1 January 2022		**30,546,314**	**37,587,175**	**51,321,485**	**773,380**	**120,228,354**
Prior year adjustment	37	-	(6,481,543)	-	-	**(6,481,543)**
Balance as at 1 January 2022 restated		**30,546,314**	**31,105,632**	**51,321,485**	**773,380**	**113,746,811**
Total comprehensive loss		-	(37,121,955)	-	-	**(37,121,955)**
Share based payment reserve	24	-	-	-	(773,380)	**(773,380)**
New share capital issued		50,000,000	-	-	-	**50,000,000**
As at 31 December 2022 restated		**80,546,314**	**(6,016,323)**	**51,321,485**	-	**125,851,476**

*During the financial year under review, the Company corrected a prior period error related to the computation of expected credit losses. Refer to Note 37 for the accounting implications resulting from the restatement of the Company's previously reported financial statements as a result of the error.

The accompanying notes form an integral part of these financial statements

LETSHEGO GHANA SAVINGS AND LOANS PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	31 December 2023	31 December 2022
Cash flows from operations	35	**207,660,752**	**(64,911,031)**
Interest paid on borrowings	18b	(109,868,340)	(103,865,086)
Interest paid on customer deposits	28	(17,681,361)	(14,292,426)
Interest received (Treasury bonds)	6	1,643,016	12,226,906
Interest paid on lease liability	15	(115,557)	(358,265)
Income tax paid	17c	(18,102,306)	(12,180,824)
Net cash flows from / (used in) operating activities		**63,536,204**	**(183,380,726)**
Cash flows from investing activities			
Purchase of property and equipment	9	(4,407,999)	(1,873,838)
Purchase of Treasury Bonds	6	-	(4,915,255)
Redemption of Treasury bond	6	-	7,000,000
Proceeds from the sale of Investment securities	6d	24,240,015	145,134,527
Proceeds from disposal of property and equipment	27	-	234,700
Purchase of intangible assets	11	(604,030)	(706,754)
Net cash flows from investing activities		**19,227,986**	**144,873,380**
Cash flows from financing activities			
Drawdown from borrowings	18b	165,806,132	134,564,131
Repayment of principal portion of borrowings	18b	(220,386,614)	(174,974,722)
Repayment of principal portion of lease liabilities	15	(1,492,062)	(4,098,542)
Net cash flows used in financing activities		**(56,072,544)**	**(44,509,133)**
Net movement in cash and cash equivalents		**26,691,646**	**(83,016,479)**
Movement in cash and cash equivalents			
At the beginning of the year		58,283,098	141,299,577
Movement during the year		26,691,646	(83,016,479)
Cash and cash equivalents at 31 December	5	**84,974,744**	**58,283,098**

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1 General Information

Letshego Ghana Savings and Loans Plc is a public limited company incorporated and domiciled in the Republic of Ghana. The Company is licensed as a Non-Bank Financial Institution under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The Company's corporate bonds are listed on the Ghana Fixed Income Market of the Ghana Stock Exchange. The Company is a wholly owned subsidiary of Letshego Holdings Limited, a company incorporated in the Republic of Botswana.

The address of the Company's registered office is 4th Floor, Cocoshe House, Off Agostino Neto Road, Airport City, Accra.

2 Material accounting policy information

The material accounting policies adopted in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board including IAS29 Hyperinflation directive issued by the Institute of Chartered Accountants Ghana and interpretations issued by the IFRS Interpretations Committee. Additional information required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit–Taking Institutions Act, 2016 (Act 930) have been included, where appropriate. These financial statements have been prepared under the historical cost convention.

The preparation of financial statements is in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board including IAS29 Hyperinflation directive issued by the Institute of Chartered Accountants Ghana and requires the use of certain critical accounting estimates. It also requires the directors to exercise judgment in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 New and amended standards and interpretations

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company's financial statements are disclosed below. The company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

(i) *Standards issued and effective as at 1 January 2023*

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

2 Material accounting policy information (continued)

2.2 New and amended standards and interpretations (continued)

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the company.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. The company is currently revisiting its accounting policy information disclosures to ensure consistency with the amended requirements when the Standard becomes effective. The impact of the amendments on the company are still being assessed.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

2 Material accounting policy information (continued)

2.2 New and amended standards and interpretations (continued)

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the company.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

Once the legislation is effective, additional disclosures are required for the current tax expense related to Pillar Two income taxes. The requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The company has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules. The company has determined that it will not be subject to Pillar Two taxes once the legislation becomes effective since its effective tax rate is above 15%. Therefore, as the related Pillar Two disclosures are not required, the amendments will have no impact on the company's financial statements at 31 December 2023.

(ii) ***Standards issued but yet to be effective***
Effective for annual periods beginning on or after 1 January 2024.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
• What is meant by a right to defer settlement
• That a right to defer must exist at the end of the reporting period
• That classification is unaffected by the likelihood that an entity will exercise its deferral right
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

2 Material accounting policy information (continued)

2.2 New and amended standards and interpretations (continued)

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the company's financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:

Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the company's financial statements.

Lack of exchangeability -Amendment to IAS 21

In August 2023, the International Accounting Standards Board (IASB) amended IAS 21 to clarify:
when a currency is exchangeable into another currency; and
how a company estimates a spot rate when a currency lacks exchangeability.

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate. A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments contain no specific requirements for estimating a spot rate. Therefore, when estimating a spot rate a company can use:
an observable exchange rate without adjustment; or
another estimation technique.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

2 Material accounting policy information (continued)

2.2 New and amended standards and interpretations (continued)

New disclosures

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:
the nature and financial impacts of the currency not being exchangeable;
the spot exchange rate used;
the estimation process; and
risks to the company because the currency is not exchangeable.

The Company do not expect the amendments to have a significant impact on the its financial statements.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

IFRS 10 And IAS 28 - Amendments - Sale or contribution of assets between an investor and its associate or joint venture

The amendments address the conflict between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures when accounting for the sale or contribution of a subsidiary to a joint venture or associate (resulting in the loss of control of the subsidiary). The effective date of the amendment is to be determined by the IASB.

2.3 Foreign currencies

Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Ghana Cedi, which is the Company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2 Material accounting policy information (continued)

2.4 Financial assets and liabilities

All financial assets and liabilities are recognised in the statement of financial position and measured in accordance with their assigned category.

2.4.1 Measurement methods

Amortised cost

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets – assets that are credit-impaired at initial recognition – the Company calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

The Company classifies its financial assets at fair value through other comprehensive income and fair value through profit or loss. The Directors determine the classification of its financial assets at initial recognition.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

2 Material accounting policy information (continued)

2.4 Financial assets and liabilities (continued)

Initial recognition and measurement (continued)

When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

In all other cases, the differences is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

2.4.2 *Classification and subsequent measurement*

The Company classifies its financial assets in the following measurement categories:
Fair value through profit or loss (FVPL);
Fair value through other comprehensive income (FVOCI); or
Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments
Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and investment securities.

Classification and subsequent measurement of debt instruments depend on the Company's business model for managing the asset; and the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represents solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'other operating income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

2 Material accounting policy information (continued)

2.4 Financial assets and liabilities (continued)

2.4.2 Classification and subsequent measurement (continued)

Debt instruments (continued)

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Net trading income' in the period in which it arises. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Company subsequently measures all equity investments at fair value through profit or loss, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns.

When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

2 Material accounting policy information (continued)

2.4 Financial assets and liabilities (continued)

2.4.2 *Classification and subsequent measurement (continued)*

Impairment

The company assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

The time value of money; and

Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Modification of loans

The company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. The Company does this by considering, among others, the following factors:

If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.

Significant extension of the loan term when the borrower is not in financial difficulty.

Significant change in the interest rate.

If the terms are substantially different, the Company derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Company also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

2 Material accounting policy information (continued)

2.4 Financial assets and liabilities (continued)

2.4.2 *Classification and subsequent measurement (continued)*

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

The amount of the loss allowance; and

The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Company are measured as the amount of the loss allowance.The Company has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Company cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

The Company's financial assets consists of the following:

2.4.3 Loans and advances to customers

Loans and advances to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term. Loans and advances to customers are initially measured at fair value plus incremental direct transaction costs and are subsequently measured at their amortised cost using the effective interest rate method.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise deposits held at call with financial institutions. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

2 Material accounting policy information (continued)

2.4 Financial assets and liabilities (continued)

2.4.2 *Classification and subsequent measurement (Continued)*

Investment Securities

Investment securities are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and the company does not intend to sell immediately or in the near term. These are initially measured at fair value plus incremental direct costs and subsequently measured at amortised cost using the effective interest rate method.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets and issued for management of short term currency exposures. Financial assets at fair value through profit or loss are recorded and measured in the statement of financial position at fair value. Gains and losses arising from changes in fair value are recognised in profit or loss. Interest or income is recognised in the profit or loss when the contract comes to an end or when the right to payment has been established.

Other assets

Other assets comprise of deposits and other recoverables which arise during the normal course of business. These are classified as loans and receivables and are initially measured at fair value plus incremental direct costs and are subsequently measured at their amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities measured at fair value through profit or loss, or financial liabilities measured at amortised cost.

The Company's holding in financial liabilities represents mainly borrowings, customer deposits, financial liabilities at fair value through profit or loss and other liabilities.

Borrowings and customer deposits

Borrowings and customer deposits are the Company's sources of funding; they are classified as financial liabilities at amortised cost and are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current liabilities and issued for management of short term currency exposures. Financial liabilities at fair value through profit or loss are recorded and measured in the statement of financial position at fair value. Gains and losses arising from changes in fair value are recognised in profit or loss.

2 Material accounting policy information (continued)

2.4 Financial assets and liabilities (continued)

2.4.2 *Classification and subsequent measurement (Continued)*

Financial liabilities (continued)

Other liabilities

Liabilities for trade, other amounts payable which are normally settled on 30 to 90 day terms and lease liabilities are measured at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company. These are classified as financial liabilities at amortised cost.

Cash collateral

Cash collateral consist of cash deposit received as security for the mobile loans from Jumo Ghana and it is held as a collateral.

2.4.4 Recognition

The Company initially recognises loans and advances, deposits, debt securities issued and subordinated liabilities on the date that they are originated. All other financial assets and liabilities are initially recognised on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company uses trade date accounting for regular way contracts when recording financial asset transactions.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from these asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position but retains either all risks or rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the statement of financial position.

In transactions where the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost.

In transfers where control over the asset is retained, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

2 Material accounting policy information (continued)

2.4 Financial assets and liabilities (continued)

2.4.6 Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.4.7 Fair value measurement

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial instruments fair value is determined using valuation techniques.

Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models. The Company uses widely recognised valuation models for determining the fair value of common and simpler financial instruments like interest rate swaps. For these financial instruments, inputs into models are market observable.

When entering into a transaction, the financial instrument is recognised initially at fair value. The best evidence of fair value of a financial instrument at recognition is normally the transaction price, the fair value of the consideration given or received. The value obtained from the valuation model may differ from the transaction price. This initial difference, usually an increase, in fair value indicated by valuation techniques is recognised in income depending upon the individual facts and circumstances of each transaction and not later than when the market data becomes observable.

The value produced by a model or other valuation technique is adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Valuation adjustments are recorded to allow for model risks, bid-ask spreads, liquidity risks, as well as other factors. Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments at fair value.

2.4.8 Identification and measurement of impairment

At each reporting date the Company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

The Company considers evidence of impairment at both a specific asset level and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment that has been incurred but not yet identified.

2 Material accounting policy information (continued)

2.4 Financial assets and liabilities (continued)

2.4.8 Identification and measurement of impairment (continued)

Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Company on terms that the Company would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

In assessing collective impairment, the Company uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and advances to customers. Interest on the impaired asset continues to be recognised through the unwinding of the discount.

When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss.

2.4.9 The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are presented within Note 10 and are subject to impairment in line with the Company's policy.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2 Material accounting policy information (continued)

2.5 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

2.5.1 Company as a lessor

Leases in which the Bank does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.6 Intangible assets

Software acquired by the Company is measured at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on internally developed software is recognised as an asset when the Company is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software for current and prior periods is ten years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2 Material accounting policy information (continued)

2.7 Property and equipment

Property and equipment is measured at cost less accumulated depreciation and any accumulated impairment/losses.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the property and equipment. The estimated useful lives for current and prior periods are as follows:

Computer equipment	3 years
Furniture and fittings	4 years
Office equipment	5 years
Motor vehicles	4 years
Furniture and fittings	3 years

The residual value and useful life of each part of property and equipment, if not significant, is reassessed annually. Depreciation costs are recognised on a prorate basis from the date the asset is available for use.

Subsequent expenditure is capitalised when it is probable that future economic benefits will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

Gains and losses on disposal of property and equipment items are determined by comparing proceeds with the carrying amounts and recognised in profit or loss. When revalued assets are sold, it is Company policy to transfer any amounts included in capital surplus in respect of those assets to income surplus.

2.8 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rates that reflect current market assessments of the time value of money and risks specific to the asset.

A previously recognised impairment loss is reversed where there has been a change in circumstances or in the basis of estimation used to determine the recoverable value, but only to the extent that the asset's net carrying amount does not exceed the carrying amount of the asset that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.9 Provisions

Provisions are recognised when Company has a present legal obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2 Material accounting policy information (continued)

2.10 Income Tax

Income tax on the profit or loss for the year comprises current and deferred income tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case the related income tax is also recognised in equity.

Current income tax

Current income tax comprises tax payable calculated on the basis of the expected taxable income for the year, using tax rates enacted at the reporting date, and any adjustment of tax payable for previous years.

Deferred income tax

Deferred income tax is provided on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in profit or loss except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination. The effect on tax of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.11a Interest income

Interest income is recognised in profit or loss at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and administration charges paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2 Material accounting policy information (continued)

2.11b Interest expense

Interest expense is recognised in profit or loss using the effective interest method as describe under the interest income policy above. Foreign currency gains and losses on interest earning financial liabilities are recognised in profit or loss, as part of interest expense, as they are incurred.

2.12 Fees and commissions

Fees and commissions are recognised on an accrual basis when the service has been provided. Commission and fees received by the entity to originate a loan are recognised on a time-apportionate basis over the period the service is provided. Commission expenses, which relate mainly to agency and collection charges, are expensed as the related services are received.

2.13 Stated capital

Ordinary shares are classified as 'stated capital' in equity. Stated capital is recognised at fair value of the consideration received. Incremental cost are directly attributable to an equity instrutment are deducted from the initial measurement of the equity instrument.

2.14 Dividends paid

Dividends on ordinary shares are recognised against equity in the period in which they are approved by the shareholders. Dividends declared after the reporting date are not recognised as a liability in the statement of financial position.

2.15 Employee benefits
Pension obligations

The Company makes contributions to mandatory pension schemes for eligible employees. Contributions by the Company to the mandatory pension schemes is determined by law and are defined contributions plan.

A defined contribution plan is a pension plan under which the Company pays fixed contributions to the statutory pension scheme or the provident fund. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

2.16 Share-based payment transactions

The parent company operates an equity-settled conditional Long-Term Incentive Plan (LTIP). Conditional awards are granted to management and key employees. The parent company also grants its own equity instruments to employees of the subsidiaries as part of group share-based payment arrangements. The number of vesting awards is subject to achievement of non-market conditions.

The grant date fair value of awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of awards that vest.

2 Material accounting policy information (continued)

2.16 Share-based payment transactions (continued)

The fair value of the options is determined excluding non-market vesting conditions. These vesting conditions are included in the assumptions of the number of options expected to vest. At each reporting date, the Company revises its estimate of the number of options expected to vest.

The Company recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Amounts recognised for services rendered if the options granted do not vest because of failure to satisfy a vesting condition, are reversed through profit or loss. If options are forfeited after the vesting date, an amount equal to the value of the options forfeited is debited against the share-based payment reserve and credited against income surplus.

2.17 Share-based payment transactions

The proceeds received net of any attributable transactions cost are credited to stated capital when the options are exercised.

2.18 Contingent liabilities

The Company discloses a contingent liability where, it has a possible obligation from past events, the existence of which will be confirmed only by the occurrence of one or more uncertain events not wholly within the control of the Company.

2.19 Deferred income

Deferred revenue is recognised when cash is received but services have not been rendered. It is measured at the value of the amount received.

The Company charges various upfront and recurring fees to its loan customers. Deferred income is made up of loan initiation fees calculated as a fixed percentage of the loan amounts disbursed to the customers and charged either upfront to the customer, without specific services being rendered for such fee income. IFRS 9 Financial Instruments require such fees to be considered as an integral part in the determination of the effective interest rate used in the subsequent measurement of the underlying financial asset at amortised cost. This means that such fee income should not be recognised when charged, but should be recognised over the term of the underlying loan and advance on the same basis as is done for interest earned.

3 Critical accounting estimates and judgements in applying accounting policies

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

3 Critical accounting estimates and judgements in applying accounting policies (continued)

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

Determining criteria for significant increase in credit risk;

Choosing appropriate models and assumptions for the measurement of ECL;

Establishing the number and relative weightings of forward-looking scenarios and the associated ECL

Effective Interest Rate (EIR) method

The company's EIR method, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and deposits and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to the Company's base rate and other fee income/expense that are integral parts of the instrument.

Determination of the lease term for lease contracts with renewal and termination options (Company as a lessee)

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency).The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments (such as the subsidiary's stand-alone credit rating, or to reflect the terms and conditions of the lease).

3 Critical accounting estimates and judgements in applying accounting policies (continued)

Deferred tax asset recovery plan

The Company recognises deferred tax asset which arises from temporary differences. The Company expects to generate sufficient taxable profits to utilise the deferred tax assets based on historical probability trends, management's plan on future business prospects and through the use of various tax planning opportunities which are available to the Company.

Share-based payment transactions

The Company operates an equity settled conditional Long-Term Incentive Plan (LTIP). The plan is only based on non-market conditions. These non-market conditions are determined by the parent company. The number of awards to vest are assessed and adjusted for the attrition in participants as well as the extent of achievement of those conditions at the reporting dates. The assumptions are that there will be 60% vesting probability.

4 Financial risk management

4.1 Financial risk

In line with the Company's ERM framework, financial risk includes credit risk, liquidity risk, interest rate risk and foreign currency rate risk.

4.1.1 Credit risk

Credit risk is the risk that a borrower or counterparty will fail to meet obligations in accordance with agreed terms. The Company is exposed to credit risk from a number of financial instruments such as loans and inter-bank transactions.

The Company's Stage 3 coverage ratio ended the year at 51% (FY2022 restated: 84%). The impact of the removal of stage 3 discounting had a material impact in the increase in provision coverages for prior year. In addition, a model overlay was taken on our loss Given Default methodology to caters for long dated defaults (Time in Default)

Key metrics	YoY Trend	2023	*Restated 2022
Loan loss Rate (%)		-1.8%	5.4%
Non-performing loans as a percentage (%) of gross advances		8.5%	9.9%
Non-performing loans coverage ratio (%)		51%	84%

4.1.2 Impairment

Management Overlays applied on calculation of Expected Credit Losses

In Ghana ,on a monthly basis, a significant portion of the portfolio in Ghana experiences a delay in receipt of funds from a single Employer. This results in technical arrears for affected customers, which does not correctly reflect their credit risk profile as payments would have been deducted from their accounts. An overlay adjustment is applied to manually update the loan listing to correct these technical arrears. After this adjustment for affected accounts, the Expected Credit Loss calculations are then computed. Long dated defaults(Loss Given Defaults based on Timein defaults) is not applied to the deduction at source portfolio in Ghana for the same reason .

Mobile loans Expected Credit Losses

In 2023, significant alterations were implemented in the Mobile loan structure, comprising an upward adjustment of interest rates from the historical 6.9% to 8.9%, an increase in the ticket size from 2000 cedis to 3000 cedis, and the introduction of a 1% processing fee. These substantial changes resulted in observed shifts in repayment behaviour, particularly from October 2023 onward. Notably, the historical trend indicated a larger Initial Collection to 150 DPD pickup in December 2023 compared to other months. The collection rate, measured as the collected amount divided by the total due, and the change in collection rate behaviour in 2023 were primarily attributed to the key product adjustments made during the year. Analysing the data revealed an increase in the pickup at 150 DPD from 5.5% early in the year to 6.5% by October 2023. We anticipate this trend to persist and remain within the expected range for the December 2023 disbursed cohort concerning pickup to 150 DPD.

4 Financial risk management (continued)

4.1.3 Write off policy

The Company write offs loan balances, and any related allowances for impairment losses, when there is determination that the loan is uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation or that proceeds from collateral will not be sufficient to pay back the entire exposure. All workable written off accounts are fully followed up for recovery through internal debt collection and third-party collection partners. The Company write offs an account when in Contractual delinquency 12 (CD12) i.e. 12 payments in arrears and the policy hasn't been changed with the implementation of IFRS 9 in the prior year. Write off point analysis was done in view of write off being a derecognition under IFRS 9 and this resulted in no change in policy.

Accounts are only written off after Board approval and regulatory approval.

4.1.4 Approach to managing credit risk

The Board of Directors is ultimately responsible for the management of credit risk and has delegated responsibility for the oversight of credit risk to the Country Risk Management Committee and Country Management Committees. It is the responsibility of Country Credit Risk and each CEO to ensure that the Company's policies regarding credit risk, credit scoring, collateral contribution, affordability levels and minimum take home pay is complied with at all times. The Company manages credit risk in accordance with its credit risk policies, guidelines and procedures which provide for the maintenance of a strong culture of responsible lending that promotes inclusive finance.

4.1.5 Credit risk mitigation

The company offers credit insurance to all its clients, which covers the repayment of the outstanding capital balances on the loan to company in the event of death or permanent disability of the customer. In addition, comprehensive insurance cover is in place in certain markets covering such risks as loss of employment, employer default, absconding and even temporary disability. Further to this, for part of the customer advances portfolio that is not extended through deduction from source, the Company applies Credit scoring and customer education in advance of the extension of credit to customers and conduct regular reviews of the credit portfolio.

- Company writes off loans which are have remained in the loss category for four consecutive quarters.
- Company will restructure loans (modify contractually agreed terms) to increase the chances of full repayment of credit exposure in certain instances.
- Restructuring is expected to minimise future risk of default. Examples are where clients are in financial difficulty, either caused by external or internal factors such as disability/death/theft/accidents/changes in Government policies.
- Restructured loans are treated as non-performing, for provision purposes only, until 6 consecutive payments have been received.
- No loan may be restructured more than twice (system controlled). Loans restructured a second time are classified as "loss" and provisions raised accordingly.
- There are no additional charges applied to restructured loans.
- **Customers cannot take a 'top up' loan if they are in arrears**

Letshego does rephase (re-age) accounts where instalments are missed, through no fault of the borrower, and subsequently reinstated due to operational issues. Rephasement involves altering the end date of the loan but not the number of repayments or the loan amount.

We adhere to rules / legislation around affordability. In the Company an independent 'central registry' or 'gatekeeper' ensures that affordability rules are adhered to in addition to internal controls in place.

4.1.6 Credit risk stress testing

The Company recognizes possible events or future changes that could have a negative impact on the credit portfolios and affect the Company's ability to generate more business. Stress testing is important for our subsidiarie and risk management and now forms an integral part of our overall governance and risk culture in the Company. This feeds into the decision making process at management and Board level.

4 Financial risk management (continued)

The overlay approach to IFRS 9 followed by the Company is outlined below:

General steps considered in applying IFRS 9 Impairment

The following steps illustrates the general steps that the Company considers when calculating IFRS 9 Impairment:

1. Establish the appropriate definition of default
2. Determine the level of assessment (individual vs. collective assessment)
3. Determine indicators/measures of significant increase in credit risk
4. Define the thresholds for significant increase in credit risk
5. Determine whether the "low credit risk assumption" will be applied to certain loans
6. Identify relevant forward-looking information and macro-economic factors
7. Identify appropriate sources of relevant forward-looking information and macro-economic factors
8. Incorporate forward-looking information and multiple scenarios in staging assessments of loans
9. Stage loans based on the forward-looking assessment of significant increase in credit risk
10. Determine the method to be used for measuring Expected Credit Losses
11. Determine the estimation period – the expected lifetime of the financial instrument
12. Establish the respective Probability of Default for loans in Stage 1 and Stage 2
13. Calculate the Exposure at Default
14. Identify relevant collateral and credit enhancements
15. Develop calculations for Loss Given Default (incorporating collateral and credit enhancements)
16. Consider the time value of money and calculate Expected Credit Losses
17. Identify modifications that occurred during the period and determine if each modification results in derecognition or no derecognition
18. Calculate the modification gain or loss and include/add it to the gross carrying amount of the loan
19. Establish and document the appropriate processes, internal controls and governance for estimating Expected Credit Losses (ECL)

The impairment requirements are complex and require management judgements, estimates and assumptions. Key concepts and management judgements taken into consideration are as below;

Determining a significant increase in credit risk since initial recognition (SICR)

IFRS 9 requires the recognition of 12 month expected credit losses (the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date) if credit risk has not significantly increased since initial recognition (stage 1), and lifetime expected credit losses for financial instruments for which the credit risk has increased significantly since initial recognition (stage 2) or which are credit impaired (stage 3).The Company assess when a significant increase in credit risk has occurred based on quantitative and qualitative assessments.

Indicators of SICR include any of the following:
• 30 days past due rebuttable presumption;
• historical delinquency behaviour of accounts that are up to date and accounts in 1-30 days category
• significant adverse changes in business, financial and/or economic conditions in which the client operates, including for example retrenchment of the customer, closure of the sponsoring employer, etc.

4 Financial risk management (continued)

4.2 Impairment Calculation

Two types of PDs are considered under IFRS 9:

- Twelve-month PDs – This is the estimated probability of a default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECL, which are applicable to Stage 1 financial instruments.

- Lifetime PDs – This is the estimated probability of a default occurring over the remaining life of the financial instrument which is applicable to Stage 2.

Exposures will move back to stage 1 once they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met. This is subject to all payments being up to date and the customer evidencing ability and willingness to maintain future payments.

The IFRS 9 requirements for the staging of loans is summarised in the two diagrams below;

Diagram 1

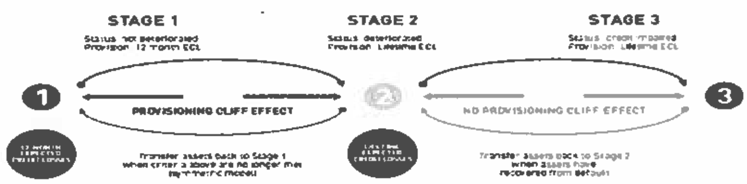


Diagram 2

• Stage 1: relates to a 12-month ECL allowance on financial assets that are neither credit impaired on origination nor for which there has been a SICR.
• Stage 2: relates to a lifetime ECL allowance on financial assets that are assessed to display a SICR since origination.
• Stage 3: relates to a lifetime ECL allowance on financial assets that are assessed to be credit impaired.

4 Financial risk management (continued)

4.2 Impairment Calculation (continued)

Quantitative element
With the use of an internal scorecard or risk rating process, the Company can assess significant increases in credit risk in their loans and advances. This involves setting thresholds for determining what constitutes a significant increase in credit risk as a loan moves along the rating scale. Once the scorecard or risk rating has been determined, the Company can then determine the PD associated with those ratings.

Qualitative Element
Accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

Backstop Criteria
Accounts that are 30 calendar days or more past due. The 30 days past due criteria should be treated as a backstop rather than a primary driver of moving exposures into stage 2.
Exposures will move back to stage 1 once they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met. This is subject to all payments being up to date and the customer evidencing ability and willingness to maintain future payments.

Forward-looking information
The IFRS 9 measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. IFRS 9 requires the use of forward-looking factors, or predictive indicators, in the calculation of ECL, including the staging assessment.

Forward-looking information inherently involves management judgment in determining key inputs such as macroeconomic factors that affect PD, LGD and Exposure at Default (EAD) risk factors of a loan, rating category or portfolio, as the case may be, as well as the forecasted values of those risk factors in one, two or more years forward (depending on the expected life of the portfolio).
All macro economic factors used will be approved at high level by the credit committee. This is also based on the correlation exercises done.
In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as:

- Unemployment rates
- Consumer Price Index
- Domestic Product (GDP)

The working group approved the three core factors as the starting point for all regression calculations. Management overlays on Macroeconomic variables will only apply in cases were the above three variables have no statistical significance and an alternative variable with a good correlation will then be applied. The forward looking economic expectations are updated on an annual basis or more regularly when deemed appropriate.

4 Financial risk management (continued)

4.2 Impairment calculation (continued)

Definition of default

Default is not defined under IFRS 9.The Company bases default upon its own definition used in its internal risk management. Careful consideration of how default is defined is important as the definition impacts the calculation of PDs, LGDs and EADs, hence impacting the ECL results.

The simplest definition is that of failure to meet a scheduled payment of principal or interest, however, that definition has modifications depending upon the loan product. The definition of default has to be consistent with that used for internal credit risk management purposes for the relevant financial instrument and has to consider qualitative indicators, e.g., breaches of covenants, when appropriate. Inability to pay may also be considered in making the qualitative assessment of default. Indications of inability to pay include:

- the credit obligation is placed on non-accrued status;
- the Company makes a specific provision or charge-off due to a determination that the obligor's credit quality has declined (subsequent to taking on the exposure);
- the Company sells the credit obligation or receivable at a material credit related economic loss;
- the Company agrees to a distressed restructuring resulting in a material credit related diminished asset stemming from such actions as material forgiveness or postponement of payments or repayments of amount owing;
- the Company has filed for the obligor's bankruptcy in connection with the credit obligations; and
- the obligor has sought or been placed in bankruptcy resulting in the delay or avoidance of the credit obligation's repayment.

There is a rebuttable presumption within IFRS 9 that default does occur once a loan is more than 90 days past due. The Company has adopted this presumption.

Discounting

Expected credit losses are discounted at the effective interest rate (EIR) at initial recognition or an approximation thereof and consistent with income recognition. For loan commitments the EIR is that rate that is expected to apply when the loan is drawn down and a financial asset is recognised.

Modelling techniques

Expected credit losses (ECL) are calculated by multiplying three main components, being the PD, LGD and the EAD, discounted at the original effective interest rate.

For the IFRS 9 impairment assessment, Botswana Impairment Models are used to determine the PD, LGD and EAD. For stage 2 and 3, the Company applies lifetime PDs but uses 12 month PDs for stage 1. The ECL drivers of PD, EAD and LGD are modelled at an account level which considers vintage, among other credit factors. Also, the assessment of significant increase in credit risk is based on the initial lifetime PD curve, which accounts for the different credit risk underwritten over time.

Renegotiated loans treatment

Both performing and non-performing restructured assets are classified as stage 3 except where it is established that the concession granted has not resulted in diminished financial obligation and that no other regulatory definitions of default criteria has been triggered, in which case the asset is classified as stage 2. The minimum probationary period is 6 months to move to current state.

4 Financial risk management (continued)
4.2 Impairment calculation (continued)

Loans and advances to customers

31 December 2023	Gross advances	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Net advances
Mobile	710,642,369	(5,320,436)	-	(9,984,939)	695,336,994
Payroll	454,827,719	(3,274,277)	(723,783)	(28,071,085)	422,758,574
Edusolution	3,838,998	(35,791)	(27,864)	(428,549)	3,346,794
31 December 2023	**1,169,309,086**	**(8,630,504)**	**(751,647)**	**(38,484,573)**	**1,121,442,362**

31 December 2022 Restated	Gross advances	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Net advances
Mobile	303,020,973	(1,106,686)	-	(2,516,551)	299,397,736
Payroll	572,801,407	(11,949,767)	(18,616,907)	(27,203,666)	515,031,067
Edusolution	4,544,874	(396,910)	(74,195)	(63,730)	4,010,039
31 December 2022	**880,367,254**	**(13,453,363)**	**(18,691,102)**	**(29,783,947)**	**818,438,842**

4.3 Maximum exposure to Credit Risk
Concentration of credit risk

The Company monitors concentrations of credit risk by product and by industry and by customer segment. An analysis of concentrations of credit risk in respect of loans and advances to customers at the reporting date is shown below:

	31 December 2023	*Restated 31 December 2022
Concentration by product:		
Payroll loans	454,827,719	572,801,407
Edusolution	3,838,998	4,544,874
Mobile loans	710,642,369	303,020,973
Gross loans and advances to customers	**1,169,309,086**	**880,367,254**
Expected credit loss	(47,866,724)	(61,928,412)
Carrying amount	**1,121,442,362**	**818,438,842**
Concentration by customer segment:		
Formal	458,666,717	577,346,281
Informal	710,642,369	303,020,973
Gross loans and advances to customers	**1,169,309,086**	**880,367,254**
Expected credit loss	(47,866,724)	(61,928,412)
Carrying amount	**1,121,442,362**	**818,438,842**
Loans and advances to customers		
Stage 1 - 12 months	962,132,900	522,203,708
Stage 2 - Lifetime	114,227,020	238,911,168
Stage 3 - Lifetime (impaired)	92,949,166	119,252,378
Gross loans and advances to customers	**1,169,309,086**	**880,367,254**
Expected credit loss	(47,866,724)	(61,928,412)
Carrying Amount	**1,121,442,362**	**818,438,842**

4 Financial risk management (continued)

4.3 Maximum exposure to Credit Risk (continued)

An analysis of changes in the loan and advances is as follows:

	Loan book				ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at 1 Jan 2023	522,203,708	238,911,168	119,252,378	880,367,254	13,453,363	18,691,102	29,783,947	61,928,412
New Asset Originated or Purchased	698,066,924	-	-	698,066,924	61,061,331	-	-	61,061,331
Transfer from Stage 1 to Stage 2	(185,246,026)	185,246,026	-	-	(218,794)	218,794	-	-
Transfer from Stage 1 to Stage 3	(11,840,637)	-	11,840,637	-	(5,866,634)	-	5,866,634	-
Transfer from Stage 2 to Stage 3	-	(10,431,129)	10,431,129	-	-	(9,758,813)	9,758,813	-
Transfer from Stage 3 to Stage 2	-	1,187,656	(1,187,656)	-	-	89,633	(89,633)	-
Transfer from Stage 2 to Stage 1	155,033,491	(155,033,491)		-	1,320,531	(1,320,531)	-	-
Payments or assests derecognised	(216,084,561)	(145,653,210)	(40,552,133)	(402,289,904)	(61,119,293)	(7,168,538)	-	(68,287,831)
Write off	-	-	(6,835,188)	(6,835,188)	-	-	(6,835,188)	(6,835,188)
31 December 2023	**962,132,900**	**114,227,020**	**92,949,166**	**1,169,309,086**	**8,630,504**	**751,647**	**38,484,573**	**47,866,724**

ECL allowance release for the year	(14,061,690)
Write offs	6,835,188
Recoveries	(10,877,656)
Total ECL Income statement release for the year	**(18,104,158)**

	Loan book				ECL Restated			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at 1 Jan 2022	697,798,783	135,456,196	58,331,455	891,586,434	4,662,030	1,090,547	19,587,151	25,339,728
New Asset Origionated or Purchased	433,576,167	-	-	433,576,167	80,906,984	-	-	80,906,984
Transfer from Stage 1 to Stage 2	(117,001,330)	117,001,330	-	-	(11,949,563)	11,949,563	-	-
Transfer from Stage 1 to Stage 3	(84,813,102)	-	84,813,102	-	(46,597,694)	-	46,597,694	-
Transfer from Stage 2 to Stage 3	-	(7,882,129)	7,882,129	-	-	(3,905,366)	3,905,366	-
Transfer from Stage 3 to Stage 2	-	274,755	(274,755)	-	-	11,339,016	(11,339,016)	-
Transfer from Stage 2 to Stage 1	2,121,200	(2,121,200)	-	-	8,927	(8,927)	-	-
Payments or assests derecognised	(409,478,010)	(3,817,784)	(3,862,572)	(417,158,366)	(13,577,321)	(1,773,731)	(1,330,267)	(16,681,319)
Writeoffs	-	-	(27,636,981)	(27,636,981)	-	-	(27,636,981)	(27,636,981)
31 December 2022	**522,203,708**	**238,911,168**	**119,252,378**	**880,367,254**	**13,453,363**	**18,691,102**	**29,783,947**	**61,928,412**

ECL allowance charge for the year	36,588,684
Write offs	27,636,981
Recoveries	(16,393,994)
Total ECL Income statement charge for the year	**47,831,671**

4 Financial risk management

4.3 Maximum exposure to Credit Risk (continued)

The tables below set out information about the credit quality of financial assets and the allowance for impairment/loss held by the Bank against those assets.

	Bank Balances		Loans & advances to customers		Investment securities	
At amortised cost	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Stage 1	84,974,744	58,283,098	983,311,823	522,203,708	-	-
Stage 2	-	-	9,227,381	238,911,168	-	-
Stage 3	-	-	176,769,881	119,252,378	227,358,351	214,108,519
Total gross amount	**84,974,744**	**58,283,098**	**1,169,309,086**	**880,367,254**	**227,358,351**	**214,108,519**
ECL						
Stage 1	-	-	(8,630,504)	(13,453,363)	-	-
Stage 2	-	-	(751,647)	(18,691,102)	-	-
Stage 3	-	-	(38,484,573)	(29,783,947)	(24,277,371)	(30,943,445)
Total ECL	-	-	**(47,866,724)**	**(61,928,412)**	**(24,277,371)**	**(30,943,445)**
Net carrying amount	**84,974,744**	**58,283,098**	**1,121,442,362**	**818,438,842**	**203,080,980**	**183,165,074**

Expected credit losses: Stress Testing and Sensitivity Analysis

Management conducted a portfolio-driven stress test by stressing risk parameters and assessing the change(s) in each respective portfolio. For this purpose, the PDs and LGDs were shocked as follows:

- PD Stressing: the standard deviation of the Point-in-Time (PIT) PD distribution for each portfolio and stage was calculated. After this, a quarter of this deviation was added to the respective account level final PDs in each portfolio and stage to obtain plausibly stressed PDs.
- LGD Stressing: out of the 5-year historical crude LGDs per portfolio, the highest crude LGD was identified and applied as a plausibly stressed LGD. This would cover recent history where very challenging economic conditions were experienced.

Loss given default (LGD)

LGDs between H1 2023 and H2 2023 have increased due to removal of stage 3 discounting and overlay taken not to increase LGDs for accounts that have longer time in default (TID). The Company was therefore comfortable with setting the LGD shocks for upside and downside at 10%, for prudence sake.

Probability of default (PD)

Since PD's are modelled using a Point-In-Time (PIT) approach, each account is assigned an individual PD. This creates a distribution of PDs for each portfolio. When creating shocks for a portfolio of PIT PD's, a standard margin of adding and subtracting static numbers would not be suitable for creating scenarios. Therefore, an approach using percentiles is used to create a cap and a floor for the distributions. A lower percentile is used as the cap for upside, and a higher percentile is used as a floor for downside.

4 Financial risk management

4.3 Maximum exposure to Credit Risk (continued)

4.4 Marcoeconomic analysis

Country Macro-analysis : 2022 - 2023

Inflation
In 2023 ,the rate of increase in prices over the period lead to the increase in the cost of living in Ghana. As a result of high inflation, goods and services ncreased in price at a faster pace than wage growth. Borrowers found it harder in paying back loans as inflation rises. This scenario lead to an increase in the probability of loan defaults as individuals experience a decrease in their relative purchasing power. Inflation is thus a significant economic variable affecting the ECL allowance for the retail portfolio.

Gross domestic product (GDP)
GDP growth slowed down from 3.3% in 2022 to 3.0% in 2023. It is forecast to decrease further in 2024. This is despite healthy export growth fueled by the resurgence of global demand for its key exports of oil, gold and cocoa. Economic activity is expected to slow down as domestic demand is expected to weaken on the back of price pressures and tighter fiscal and monetary conditions.

Unemployment rate
The unemployment rate in Ghana remained a challenge in 2023, with a large proportion of the population engaged in the informal sector. It is estimated to have risen from 3.9% in 2022 to 3.96% in 2023. In the first quarter of 2023, the unemployment rate remained relatively stable. To address this issue, the government has implemented policies to promote job creation, such as investing in infrastructure and supporting small and medium-sized enterprises (SMEs).

Influence of economic on estimate of ECL
A behavioural scorecard is used to incorporate forward looking macroeconomic variables into lifetime PDs. A weighted score is calculated based on the outlook of economic conditions of each country and is updated when there is a change. These weighted scores are used to convert 12-month PDs into Lifetime PDs for accounts in Stage 2 (Stage 3 PD is standard at 100%).

A macro-induced regression analysis is used to model a Macro-Induced (MI) LGD for accounts in Stage 2 and 3. This involves identifying how economic conditions influence recovery rates and applying this to forecasted economic outlooks.

Expected credit losses: Forward looking
Macroeconomic forward-looking factors were all stressed to downside heavy for Consumer Price Index (CPI), Inflation, Gross Domestic Product (GDP) and unemployment rate in line with Fitch Solutions' revised outlook for the period ending 31 December 2023. The probability weighted ECL is derived by assigning weights to the base, upside and downside scenarios based on management projections. The weights used are 50%, 20% and 30% respectively for Deduction at source portfolio that holds a low credit risk and 30%, 20% and 50% respectively for MSE and Informal portfolio.

The total weighted impact of GHS 8.5 million for Ghana based on downside scenarios:

Country	Base ECL	Probability Weighting	Impact
Ghana	56,395,780	47,866,724	(8,529,056)
Total	56,395,780	47,866,724	(8,529,056)

*The Probability weighted ECL is derived by assigning weights to the base, upside and downside scenarios based on management projections. The weights used in the last reporting cycle were 50%, 20% and 30% respectively for Deduction at source portfolio that holds a low credit risk and 30%, 20% and 50% respectively for MSE and Informal portfolio. Refreshed assessment used the higher end of risk weightings hence as at October 2023 the weightings used are 30%,20%,50%.

4 Financial risk management

Below is a summary of the expected credit losses as at 31 December 2023

During the financial year 2023, our external auditors changed their professional judgement on discounting stage 3 ECLs. The prior years treatment from financial year 2020 to 2022 was therefore deemed an error. The basis for the error is that the default date for Stage 3 exposures have already occurred and no discount factor should therefore be applied to Stage 3 ECLs. Management agreed to do the adjustments for prudence and therefore this results in an increase in coverages. This will allow the business to align to its risk appetite.

Increase in expected credit losses for the year was also driven by uptick in operationally driven delinquencies that impeded timely deduction and remittance of payroll loan instalments.

Operating Segments	IFRS 9 ECL Provisions at 31 December 2023				IFRS 9 ECL Provisions at 31 December 2022 Restated			
GHS	Stage 1: 12-month ECL allowance	Stage 2: Lifetime ECL allowance – not credit-impaired	Stage 3: Lifetime ECL allowance – credit-impaired	Total ECL on 31 December 2023	Stage 1: 12-month ECL allowance	Stage 2: Lifetime ECL allowance – not credit-impaired	Stage 3: Lifetime ECL allowance – credit-impaired	Total ECL on 31 December 2022
Financial assets	8,630,504	751,647	38,484,573	47,866,724	13,453,363	18,691,102	29,783,947	61,928,412
Total	**8,630,504**	**751,647**	**38,484,573**	**47,866,724**	**13,453,363**	**18,691,102**	**29,783,947**	**61,928,412**

	At 31 December 2023 (IFRS 9)	At 31 December 2022 Restated (IFRS 9)
Gross advances to customers	**1,169,309,086**	**880,367,254**
Of which stage 1 and 2	**1,076,359,920**	**761,114,876**
Of which stage 3	**92,949,166**	**119,252,378**
Expected credit loss provisions	**(47,866,724)**	**(61,928,412)**
Of which stage 1 and 2	**(9,382,151)**	**(32,144,465)**
Of which stage 3	**(38,484,573)**	**(29,783,947)**
Net advances to customers	**1,121,442,362**	**872,728,249**
Of which stage 1 and 2	**1,066,977,769**	**830,501,032**
Of which stage 3	**54,464,593**	**42,227,217**
Impairment (ECL) Coverage Ratio	**4%**	**7%**
Stage 3 coverage ratio	**41%**	**25%**

Letshego Ghana business has a diversified portfolio of Deduction at Source (DAS) and mobile lending. The DAS business was mainly impacted by macroeconomic pressures that prevailed during the year. The Company was able to remain resilient to the worst effects of external economic effects despite delays in government remittances by two to three months.

4 Financial risk management (continued)

4.5 Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities or margin calls for derivatives. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances, lack of liquidity could result in reductions in the statement of financial position and sales of assets, or potentially an inability to fulfil lending commitments. The risk that the Company will be unable to do so is inherent in all operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, .merger and acquisition activity, systemic shocks and natural disasters

4.5.1 Liquidity risk management process

The Company's liquidity management process, as carried out within the Company and monitored by a separate :team in the Treasury department, includes

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This ;includes replenishment of funds as they mature or are borrowed by customers
- Monitoring the liquidity ratios of the statement of financial position against internal and regulatory
- Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the .financial assets

The Company's Treasury unit also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby .letters of credit and guarantees

4.5.2 Funding approach

Sources of liquidity are regularly reviewed by the Company's Treasury unit to maintain a wide diversification by .currency, provider, product and term

4.5.3 Exposure to liquidity risk

The key measure used by the Company for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose net liquid assets are considered as including cash and cash equivalents and debt securities for which there is an active and liquid market less any deposits from banks and other financial institutions, debt securities issued, other borrowings and commitments maturing within the next .month

The table on the subsequent page presents the cash flows payable by the Company under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows for the no .derivative .financial assets and liabilities held by the Company

4 Financial risk management (continued)

4.5.3 Exposure to liquidity risk (continued)

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity date. The amounts in the table below are the contractual undiscounted cash flows:

31 December 2023	From 0 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Above 5 years	Total
Financial liabilities						
Borrowings	203,630,568	179,104,180	82,921,227	130,488,702	-	596,144,677
Financial assets at fair value through profit or loss	-	-	3,184,069	-	-	3,184,069
Customer deposits	162,262,314	22,740,645	-	-	-	185,002,959
Collateral deposit	399,252,173	-	-	-	-	399,252,173
Lease liability	-	88,798	-	-	-	88,798
Other liabilities **	16,843,533	-	-	-	-	16,843,533
Total financial liabilities	781,988,588	201,933,623	86,105,296	130,488,702	-	1,200,516,208
Financial assets						
Cash and cash equivalents	84,974,744	-	-	-	-	84,974,744
Investment securities	2,456,566	2,353,281	12,024,618	75,566,651	110,679,865	203,080,980
Loan and advances to customers	703,179,050	7,891,671	98,213,381	182,200,036	159,695,447	1,151,179,585
Other assets		59,881,429	-	-	-	59,881,429
Total financial assets held for managing liquidity risk	790,610,360	70,126,381	110,237,999	257,766,687	270,375,312	1,499,116,738
Net liquidity gap	**8,621,772**	**(131,807,242)**	**24,132,703**	**127,277,985**	**270,375,312**	**298,600,530**

The negative cashflows within 12 months period was due to the debt restructring of the government investment securities held, which have now been extended to 2025 and beyond. The Company reviews its liquidity positions daily to ensure that it has sufficient liquidity to meet its obligations. Additionaly we perform frequent stress testing and scenario analysis to help adequately manage our liquidity.

31 December 2022	From 0 to 6 months	From 6 to 12 months	From 1 to 3 years	From 3 to 5 years	Above 5 years	Total
Financial liabilities						
Borrowings	108,792,444	138,930,149	388,267,034	16,185,314	-	652,174,941
Customer deposits	17,572,541	1,130,493			-	18,703,034
Collateral deposit		-	-	266,239,434	-	266,239,434
Lease liability		-	-	20,678	-	20,678
Other liabilities **		-	-	17,255,155	-	17,255,155
Total financial liabilities	126,364,985	140,060,642	388,267,034	299,700,581	-	954,393,242
Financial assets						
Cash and cash equivalents	58,283,098	-	-	-	-	58,283,098
Investment securities		-	-	-	183,165,074	183,165,074
Loan and advances to customers	310,000,050	6,995,600	64,984,736	242,363,717	246,300,182	870,644,285
Other assets		-	11,525,980			11,525,980
Total financial assets held for managing liquidity risk	368,283,148	6,995,600	76,510,716	242,363,717	429,465,256	1,123,618,437
Net liquidity gap	**241,918,163**	**(133,065,042)**	**(311,756,318)**	**(57,336,864)**	**429,465,256**	**169,225,195**

Other liabilities **. Statutory payments like withholding tax have been excluded from the "other liabilities".

4 Financial risk management (continued)

4.5.4 Maturity analysis of assets and liabilities

The table below shows the analysis of assets and liabilities presented according to when they are expected to be recovered or settled. Trading assets and liabilities have been classified to mature and / or be repaid within 12 months, regardless of the actul contractual maturities of the product. With regards to the loans and advances to customers, the company uses same basis of expected repayment behaviour that was used for estimating the EIR. Issued debt reflects the contractual coupon and amortisation.

	31 December 2023			31 December 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Cash and cash equivalents	84,974,744	-	84,974,744	58,283,098	-	58,283,098
Investment securities	-	203,080,980	203,080,980	14,752,410	168,412,664	183,165,074
Loans and advances to customers	711,070,721	410,371,641	1,121,442,362	213,707,712	639,169,776	852,877,488
Other assets	49,771,862	14,665,583	64,437,445	11,525,980	4,169,644	15,695,624
Deferred income tax asset	599,784	5,325,298	5,925,082	1,310,508	7,189,227	8,499,735
Property and equipment	1,311,676	3,641,516	4,953,192	666,557	2,666,229	3,332,786
Right of use assets	445,876	2,020,221	2,466,097	850,000	3,399,998	4,249,998
Intangible assets	-	1,315,781	1,315,781	-	984,579	984,579
Total assets	**848,174,663**	**640,421,020**	**1,488,595,683**	**301,096,265**	**825,992,117**	**1,127,088,382**
Liabilities						
Customer deposits	118,845,798	66,157,161	185,002,959	16,708,043	-	16,708,043
Collateral security deposit	399,252,173	-	399,252,173	266,239,434	-	266,239,434
Financial liabilities at fair value through profit or loss	-	3,184,069	3,184,069	-	-	-
Other liabilties	20,572,547	-	20,572,547	17,361,107	-	17,361,107
Lease liability	85,069	-	85,069	16,949	-	16,949
Current income tax	10,828,060	-	10,828,060	11,770,463	-	11,770,463
Borrowings	348,443,365	247,701,312	596,144,677	240,290,915	411,884,026	652,174,941
Total liabilities	**898,027,012**	**317,042,542**	**1,215,069,554**	**552,386,911**	**411,884,026**	**964,270,937**
Net as at December	**(49,852,349)**	**323,378,478**	**273,526,129**	**(251,290,646)**	**414,108,091**	**162,817,445**

The Company holds a diversified portfolio of cash and liquid securities to support payment obligations and contingent funding in a stressed market environment. The Company's assets held for managing liquidity risk comprise cash and bank balances and loans and advances.

4.6 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to market risk arising principally from customer-driven transactions and they include foreign currency risk and interest rate risk.

(i) *Foreign exchange risk*

The Company is exposed to the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Management is responsible for minimising the effect of the currency exposure by holding bank accounts in foreign currencies.

At December 31, 2023, if the currency had weakened/strengthened by 10% (2022: 10%) against the US dollar with all other variables held constant, post-tax profit

for the year and assets would have been GH¢191,442,296 (GHS 19,142,229) higher/lower, mainly as a result of US dollar denominated bank balances.

(ii) *Interest risk rate*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Interest rates on the Company's products may increase or decrease with changes in the prevailing levels of market interest rates. The table on the subsequent page summarises the Company's exposure to interest rate risks. It includes the Company's financial instruments at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4 **Financial risk management (continued)**

4.6 **Market risk (continued)**

(ii) ***Interest risk rate (continued)***

31 December 2023	Up to 1 month	1 - 3 months	3 -12 months	Over 1 year	Non interest bearing	Total
Financial assets						
Cash and bank balance	84,974,744	-	-	-	-	84,974,744
Investment securities	92,401,115	-	-	110,679,865	-	203,080,980
Loans and advances to customers	361,266,908	603,980,744	26,334,174	27,891,765		1,019,473,591
Other assets (excluding prepayment)	-	-	-	-	59,881,429	59,881,429
Total financial assets	538,642,767	603,980,744	26,334,174	138,571,630	59,881,429	1,367,410,744
Financial liabilities						
Borrowings	596,144,677	-	-	-	-	596,144,677
Customer deposits	15,964,799	117,071,542	74,056,523	-	-	207,092,864
Other liabilities	-	-	-	-	20,572,547	20,572,547
Collateral deposit	-	-	-	-	399,252,173	399,252,173
Total financial liabilities	612,109,476	117,071,542	74,056,523	-	419,824,720	1,223,062,261
Total interest repricing gap	(73,466,709)	486,909,202	(47,722,349)	138,571,630	(359,943,291)	144,348,484

31 December 2022	Up to 1 month	1 - 3 months	3 -12 months	Over 1 year	Non interest bearing	Total
Financial assets						
Cash and bank balance	58,283,098	-	-	-	-	58,283,098
Investment securities	42,972,877	-	-	140,192,197	-	183,165,074
Loans and advances to customers	361,266,908	603,980,744	26,334,174	27,891,765		1,019,473,591
Other assets (excluding prepayment)	-	-	-	-	11,525,980	11,525,980
Total financial assets	462,522,883	603,980,744	26,334,174	168,083,962	11,525,980	1,272,447,743
Financial liabilities						
Borrowings	652,174,941	-	-	-	-	652,174,941
Customer deposits	3,340,939	13,674,792	1,687,302	-	-	18,703,033
Other liabilities	-	-	-	-	17,361,107	17,361,107
Collateral deposit	-	-	-	-	266,239,434	266,239,434
Total financial liabilities	655,515,880	13,674,792	1,687,302	-	283,600,541	954,478,515
Total interest repricing gap	(192,992,997)	590,305,952	24,646,872	168,083,962	(272,074,561)	317,969,228

4 Financial risk management (continued)

4.7 Market risk (continued)

(iii) Interest rate sensitivity analysis

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Company.

The interest re-pricing gap analysis is supplemented by monitoring the sensitivity of the Company's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis points (bps) parallel shift in all yield curves. An analysis of the Company's sensitivity to an increase in market interest rates and its impact on the net interest margin is as follows:

		Possible interest rate movements		
	Total interest repricing gap	+100bps	+200bps	+300bps
Up to 1 month	(73,467)	(73,467)	(146,933)	(220,400)
1-3 months	486,909	486,909	973,818	1,460,728
3-12 months	(47,722)	(47,722)	(95,445)	(143,167)
Over 1 year	138,572	138,572	277,143	415,715
Total	504,292	504,292	1,008,584	1,512,875
Net interest income		144,715,476	144,715,476	144,715,476
Impact on net interest income (2023)		0.35%	0.70%	1.05%
Impact on net interest income (2022)		0.86%	1.72%	2.59%

4.7 Capital management

The Company's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

(i) To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for the shareholders and benefits for the other stakeholders;

(ii) To maintain a strong capital base to support the current and future development needs of the business; and.

(iii) To comply with the capital requirements set by the Bank of Ghana.

The regulator, the Bank of Ghana, sets and monitors capital requirements for the Company as a whole. In implementing current capital requirements, the Bank of

Ghana requires the Company to maintain a prescribed ratio of total capital to total risk-weighted assets. The Company's regulatory capital is analysed into two tiers:

(i) Tier 1 capital, also referred to as core/primary capital is made up of equity and disclosed reserves. Equity includes issued and fully paid ordinary share capital and perpetual non-cumulative preference shares. Disclosed reserves relate to those created or increased by appropriation of after tax profit, income surplus and general statutory reserves.

(ii) Tier 2 capital, also referred to as supplementary/secondary capital includes revaluations reserves, latent revaluation reserves and hybrid capital instruments. Latent revaluation reserves relate to unrealised gains on equity instruments classified as available-for-sale.

Various limits are applied to elements of the capital base. The qualifying tier 2 capital cannot exceed tier 1 capital.

4 Financial risk management (continued)

4.7 Capital management (continued)

4.7.1 Regulatory capital

The capital adequacy ratio is the quotient of the capital base of the Company and the Company's risk-weighted asset base. In accordance with Bank of Ghana regulations, a minimum ratio of 10% is to be maintained.

	31 December 2023	*Restated 31 December 2022
Tier 1 capital		
Ordinary share capital	162,046,314	80,546,314
Retained earnings	22,244,217	(6,016,323)
Statutory reserves	84,408,811	51,321,485
Total disclosed reserves	268,699,342	125,851,476
Less: Other regulatory adjustments	(4,556,016)	(10,142,056)
Add: Relief on credit loss expense on investment securities	15,471,723	23,207,584
Total tier 1 capital	279,615,048	138,917,004
Total tier 2 capital	-	-
Total regulatory capital	279,615,048	138,917,004
Risk-weighted assets	1,351,679,669	972,016,161
Capital adequacy ratio	20.7%	14.3%
Minimum requirement	10.00%	10.00%

4.8 Fair value of financial assets and liabilities

The fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates and foreign currency exchange rates and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The table below sets out the carrying amounts and fair values of those financial assets and liabilities not presented on the Company's statement of financial position at their fair values.

31 December 2023	Note	Asset amortised cost	Liabilities amortised cost	Total	Fair value
Investment securities	6	203,080,980	-	203,080,980	203,080,980
Loans and advances to customers	7	1,121,442,362	-	1,121,442,362	1,150,085,294
Total financial assets		1,324,523,342	-	1,324,523,342	1,353,166,275
Borrowings	18	-	596,144,677	596,144,677	604,192,630
Customer deposits	12	-	185,002,959	185,002,959	192,403,077
Total financial liabilities		-	781,147,636	781,147,636	796,595,707

Financial risk management (continued)

4.8 Fair value of financial assets and liabilities (continued)

31 December 2022	Note	Asset amortised cost	Liabilities amortised cost	Total	Fair value
Investment securities	6	183,165,074	-	183,165,074	183,165,074
Loans and advances to customers	7	852,877,488	-	852,877,488	881,520,420
Total financial assets		**1,036,042,562**	**-**	**1,036,042,562**	**1,064,685,494**
Borrowings	17	-	652,174,941	652,174,941	660,979,303
Customer deposits	12	-	16,708,043	16,708,043	17,376,364
Total financial liabilities		**-**	**668,882,984**	**668,882,984**	**678,355,667**

The following assets and liabilities have their carrying amounts approximate their fair value and then make a list of them.

a. Cash and bank balance
b. Other assets
c. Collateral deposits
d. Other liabilities

The fair value hierarchy section explains the judgements and estimates made in determining the fair values of the financials instruments. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standards.

- Level 1 - Quoted (unadjusted) market prices in active markets for identifiable assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value is observable
- Level 3 - Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable

The fair values of financial assets and liabilities that are not measured at fair value in the financial statements are shown below:

At 31 December 2023	Carrying values	Fair values Level 1	Level 2	Level 3	Total
Financial assets					
Investment securities	203,080,980	-	203,080,980	-	**203,080,980**
Loans and advances to customers	1,121,442,362	-	-	1,150,085,294	**1,150,085,294**
Financial liabilities					
Deposits from customers	185,002,959	-	-	192,403,077	**192,403,077**
Borrowings	596,144,677	-	-	604,192,630	**604,192,630**

At 31 December 2022	Carrying values	Fair values Level 1	Level 2	Level 3	Total
Financial assets					
Investment securities	183,165,074	-	183,165,074	-	**183,165,074**
Loans and advances to customers	852,877,488	-	-	881,520,420	**881,520,420**
Financial liabilities					
Deposits from customers	16,708,043	-	-	17,376,364	**17,376,364**
Borrowings	652,174,941	-	-	660,979,303	**660,979,303**

4.8 Fair value of financial assets and liabilities (continued)

		Valuation technique	Significant unobservable inputs
Investment securities	Level 2	Valued by discounting the future cash flows using market interest rate applicable at that time. For foreign assets, the sum of the cash flows denoted in the foreign currencies are converted with the spot rate applicable at the reporting date.	Based on discount rates of 16% for GHS GoG bonds and 6% on the USD GoG bonds
Loans and advances to customers	Level 3	The fair values of loans and advances are estimated by discounted cash flow models that incorporate assumptions for credit risks.	Expected cashflows are discounted at reference rates adjusted for credit risk exposure
Borrowings and Deposits from customers	Level 3	The fair value of borrowed funds and deposits from custoer is estimated by a discounted cash flow model using market rate for similar instruments trading in the market.	Based on average yield curve rates to maturity
Financial assets and liabilities at fair value through profit or loss	Level 2	Valued by discounting the future cash flows using market interest rate applicable at that time. The sum of the cash flows denoted in the foreign currencies are converted with the spot rate applicable at the reporting date.	Based on USD and GHS risk free rates.

		31 December 2023	31 December 2022
5	**Cash and cash equivalents**		
	Bank Balance	84,974,744	58,283,098
	Cash and bank balances for the purpose of the statement of cash flows	**84,974,744**	**58,283,098**

Cash at bank is held with reputable financial institutions with good credit standing and an expected credit loss assessment was done at year end.

6 Investment securities

Government bonds

	Opening balance	**183,165,074**	**257,803,446**
	Additions during the year	-	4,915,255
	Interest accrued	13,656,716	16,202,184
	Interest payment received	(1,643,016)	(12,226,906)
	Principal payment received	-	(7,000,000)
	Sale of investment securities	(24,240,015)	(145,134,527)
	Impairment (writeback) / expense on bonds	6,666,074	(30,943,445)
	Foreign exchange gain	25,476,147	99,549,066
		203,080,980	**183,165,074**
6b	2 - 5-year fixed rate notes	92,401,115	42,972,877
	Above 5 years fixed rate note	110,679,865	140,192,197
		203,080,980	**183,165,074**

Ghana Debt Exchange Program

Reference is made to the audited financial statements for the year ended 31 December 2022, where it was indicated that the Government of Ghana had announced a Domestic Debt Exchange Program in which an invitation to holders of domestic bonds was extended to exchange these for a set of new bonds maturing in 2027, 2029, 2032 and 2037. This resulted in the recognition of expected credit losses amounting to GHS 30.9 million relating to the domestic bonds. At that stage, the Government of Ghana was yet to announce a restructuring of US dollar denominated bonds, but the Company took a conservative approach and recognised expected credit losses amounting to GHS 20 million in relation to its investment in US dollar denominated bonds. On 14 July 2023, the government of Ghana published an invitation to holders of US dollar denominated notes and bonds to exchange these for new benchmark government of Ghana bonds denominated in US dollars, maturing in August 2027 and August 2028. The Company submitted an offer to exchange US dollar denominated bonds with a face value amounting to an equivalent of GHS184 million and received new bonds from the government of Ghana in September 2023. The new bonds were exchanged at the same aggregate principal amount, plus applicable capitalised accrued and unpaid interest, but have a lower average coupon and an extended average maturity than the old bonds.

The impact of this exchange of bonds on was assessed at year end and it was determined that the Company is currently holding adequate expected credit loss provisions on the bonds as at the reporting date.

		31 December 2023	31 December 2022
6c	**Impairment charge**		
	Opening balance	30,943,445	-
	Movement recognised during the year :		
	Local Cedi bonds	-	10,907,229
	Local Dollar bonds	(6,666,074)	20,036,216
	Total	**24,277,371**	**30,943,445**

6 Investment securities (continued)

Net carrying amount of investment securities are as follows:

6d 31 December 2023	GoG Cedi bonds	GoG Dollar bonds	Fixed deposit	Total
Opening balance	39,290,708	150,577,796	24,240,015	214,108,519
New assets originated or purchased	-	-	-	-
Interest accrued	3,701,316	9,955,400	-	13,656,716
Interest payment received	(1,643,016)	-	-	(1,643,016)
Sale of investment securities	-	-	(24,240,015)	(24,240,015)
Exchange gain	-	25,476,147	-	25,476,147
Gross carrying amount	**41,349,008**	**186,009,343**	-	**227,358,351**
Impairment charge				
Opening balance	(10,907,229)	(20,036,216)	-	(30,943,445)
Impairment writeback	-	6,666,074	-	6,666,074
	(10,907,229)	**(13,370,142)**	-	**(24,277,371)**
Net Carrying Amount	**30,441,779**	**172,639,201**	-	**203,080,980**

31 December 2022	GoG Cedi bonds	GoG Dollar bonds	Fixed deposit	Total
Opening balance	65,502,868	98,719,999	93,580,580	257,803,447
New assets originated or purchased	4,915,255	-	-	4,915,255
Interest accrued	6,633,171	8,239,131	1,329,882	16,202,184
Interest payment received	(8,916,098)	(2,433,053)	(877,755)	(12,226,906)
Principal payment received	(7,000,000)	-	-	(7,000,000)
Sale of investment securities	(21,844,488)	(8,777,756)	(114,512,283)	(145,134,527)
Exchange gain	-	54,829,475	44,719,591	99,549,066
Gross carrying amount	**39,290,708**	**150,577,796**	**24,240,015**	**214,108,519**
Impairment charge	(10,907,229)	(20,036,216)	-	(30,943,445)
Net Carrying Amount	**28,383,479**	**130,541,580**	**24,240,015**	**183,165,074**

6e An analysis of changes in the carrying amount in relation to investment securities is as follows:

31 December 2023	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2023	-	-	214,108,519	**214,108,519**
New assets originated or purchased	-	-	12,013,700	**12,013,700**
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Assets sold during the year	-	-	(24,240,015)	**(24,240,015)**
Exchange gain	-	-	25,476,147	**25,476,147**
Gross carrying amount	-	-	**227,358,351**	**227,358,351**
Reconcilliation of expected credit losses:				
Opening ECL amount as at 1 January 2023	-	-	(30,943,445)	(30,943,445)
New assets originated or purchased	-	-	-	-
Impairment writeback	-	-	6,666,074	6,666,074
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Assets sold during the year	-	-	-	-
As at December 2023	-	-	**203,080,980**	**203,080,980**

6 **Investment securities (continued)**

6e An analysis of changes in the carrying amount in relation to investment securities is as follows (continued)

31 December 2022	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2022	257,803,447	-	-	**257,803,447**
New assets originated or purchased	1,890,533	-	-	1,890,533
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	(114,559,453)	-	114,559,453	-
Assets sold during the year	(145,134,527)	-	-	(145,134,527)
Exchange gain	-	-	99,549,066	99,549,066
Gross carrying amount	-	-	**214,108,519**	**214,108,519**
Reconcilliation of expected credit losses:				
Opening ECL amount as at 1 January 2022	-	-	-	-
New assets originated or purchased	-	-	-	-
ECL charge for the year	-	-	(30,943,445)	(30,943,445)
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Assets sold during the year	-	-	-	-
As at December 2022	-	-	**183,165,074**	**183,165,074**

		31 December 2023	*Restated 31 December 2022
7	**Gross loans and advances to customers**	**1,169,309,086**	**880,367,254**
	Less: Expected credit loss	(47,866,724)	(61,928,412)
		1,121,442,362	**818,438,842**
8	**Other assets**		
	Prepayments	4,556,016	4,169,645
	Unpaid employer receivables	49,771,862	-
	Other receivable	10,109,567	11,525,980
		64,437,445	**15,695,625**

Other receivables include insurance comission and sundry receivables. Unpaid employer receivables include Controller and Accountant General Department for three months. Prepayments includes advance payments on insurance, subscriptions and others. Due to the short-term nature of the other receivables, their carrying amount approximates their fair value.

9 Property and equipment

Year ended 31 December 2023	Motor vehicles	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost						
At 1 January 2023	3,418,519	2,601,912	2,756,073	3,633,053	406,006	12,815,563
Additions	3,544,535	392,750	100,128	370,586	-	4,407,999
Disposals	(2,275,225)	(106,899)	(42,045)	(41,902)	-	(2,466,071)
Transfer to Software	-	-	-	-	(266,006)	(266,006)
At 31 December 2023	**4,687,829**	**2,887,763**	**2,814,156**	**3,961,737**	**140,000**	**14,491,485**
Accumulated depreciation						
At 1 January 2023	2,312,629	2,109,513	2,180,370	2,880,265	-	9,482,777
Charge for the year	592,437	408,347	247,171	373,043	-	1,620,998
Disposals	(1,398,971)	(89,879)	(35,430)	(41,202)	-	(1,565,482)
						-
At 31 December 2023	**1,506,095**	**2,427,981**	**2,392,111**	**3,212,106**	**-**	**9,538,293**
						-
Carrying amount	**3,181,734**	**459,782**	**422,045**	**749,631**	**140,000**	**4,953,192**

9a Year ended 31 December 2022	Motor vehicles	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost						
At 1 January 2022	2,829,627	2,328,790	2,561,907	3,366,303	266,006	11,352,633
Additions	999,800	273,122	194,166	266,750	140,000	1,873,838
Disposals	(410,908)	-	-	-	-	(410,908)
						-
At 31 December 2022	**3,418,519**	**2,601,912**	**2,756,073**	**3,633,053**	**406,006**	**12,815,563**
						-
Accumulated depreciation						-
At 1 January 2022	2,190,869	1,626,205	1,914,286	2,516,875	-	8,248,235
Charge for the year	532,668	483,308	266,084	363,390	-	1,645,450
Disposals	(410,908)	-	-	-	-	(410,908)
						-
At 31 December 2022	**2,312,629**	**2,109,513**	**2,180,370**	**2,880,265**	**-**	**9,482,777**
						-
Carrying amount	**1,105,890**	**492,399**	**575,703**	**752,788**	**406,006**	**3,332,786**

9 Property and equipment

	31 December 2023	31 December 2022
10 Right of use assets		
Cost		
At 1 January	15,982,151	11,525,344
Addition for the year	1,560,182	4,456,807
At 31 December	**17,542,333**	**15,982,151**
Accumulated depreciation		
At 1 January	11,732,153	8,095,719
Charge for the year	3,344,083	3,636,434
At 31 December	**15,076,236**	**11,732,153**
Carrying amount	**2,466,097**	**4,249,998**

11 Intangible assets - Software

Cost		
At 1 January	5,750,292	5,043,538
Transfer from WIP	266,006	-
Additions	604,030	706,754
At 31 December	**6,620,328**	**5,750,292**
Accumulated amortisation		
At 1 January	4,765,713	3,990,555
Charge for the year	538,834	775,158
At 31 December	**5,304,547**	**4,765,713**
Net book amount	**1,315,781**	**984,579**

12 Customer deposits

Term deposits	180,321,582	14,167,739
Retail deposits	4,681,377	2,540,304
	185,002,959	**16,708,043**

In the current year, there was a strong growth in customer deposits due to significant leverage at the back of improved macroeconomic landscape. We were able to attract new depositors and expanded our product offering to for both institutional and retail depositors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

		31 December 2023	31 December 2022
13	**Other liabilities**		
	Payroll accrual	283,448	993,471
	Withholding tax	3,729,014	52,976
	Staff bonus	3,002,361	1,478,481
	Audit fees	487,564	408,365
	Insurance premium payable	4,426,546	7,854,469
	Other accrued expenses	8,643,614	6,573,345
		20,572,547	**17,361,107**

Other accrued expenses comprise unpaid supplier payments, control accounts. These are short term in nature and their carrying amount approximates their fair value at the reporting date.

		31 December 2023		
14	**Financial liabilities at fair value through profit and loss**	**Carrying value assets**	**Carrying value liabilities**	**Gain/Loss**
	Foreign cross currency swaps	72,675,982	75,860,051	3,184,069
		72,675,982	**75,860,051**	**3,184,069**

During the year, the company entered into short term foreign currency swap arrangements with a local financial institution. The company pays a specified amount in one currency and receives a specified amount in another currency to reduce its exposure on currency risk. These were translated using reporting date exchange rates to reflect the changes in foreign currencies and the movement is reflected in profit and loss.

		31 December 2023	31 December 2022
15	**Lease liability**		
	As at 1 January	16,949	65,752
	Addition	1,560,182	4,049,739
	Interest accrued	115,557	358,265
	Interest payment	(115,557)	(358,265)
	Principal repayment of lease	(1,492,062)	(4,098,542)
	Balance as at 31 December	**85,069**	**16,949**
16	**Collateral security deposit**		
	Funding for mobile loans	**399,252,173**	**266,239,434**

Collateral deposits represent amounts earmarked for financing the mobile loans product. This is not an interest-bearing transaction deposit.

		31 December 2023	31 December 2022
17	**Income taxes**		
17a	**Income tax expense**		
	Current income tax	12,990,809	10,327,917
	National fiscal stabilisation levy	4,169,094	376,051
	Deferred tax expense	47,329	5,981,895
		17,207,232	**16,685,863**

17 Income taxes (continued)

17b Effective tax reconciliations

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the statutory tax rate of 25% as follows

	31 December 2023	31 December 2022
Profit before tax	**83,381,885**	**(20,436,092)**
Tax using the corporate tax rate of 25%	20,845,471	(5,109,023)
Tax effect of:		
Non-deductible expenses	32,934,753	89,887,569
Deductible expenses	(40,789,416)	(74,074,578)
National fiscal stabilization levy	4,169,094	-
Effects of deferred tax	47,329	5,981,895
Tax charge	**17,207,232**	**16,685,863**
Effective tax rate	**21%**	**-82%**

17c Current income tax

	1 January 2023	Charge to profit or loss	Payments in the year	31 December 2023
Year of assessment				
Up to 2022	11,394,412	-	(11,302,306)	92,106
2023	-	12,990,809	(6,800,000)	6,190,809
	11,394,412	**12,990,809**	**(18,102,306)**	**6,282,915**
				-
National Fiscal Stabilization Levy	376,051	4,169,094	-	4,545,145
Total Tax 2023	**11,770,463**	**17,159,903**	**(18,102,306)**	**10,828,060**

	1 January 2022	Charge to profit or loss	Payments in the year	31 December 2022
Year of assessment				
Up to 2021	10,485,580	-	(4,919,085)	5,566,495
2022	-	10,327,917	(4,500,000)	5,827,917
	10,485,580	**10,327,917**	**(9,419,085)**	**11,394,412**
National Fiscal Stabilization Levy	2,761,739	376,051	(2,761,739)	376,051
Total Tax 2022	**13,247,319**	**10,703,968**	**(12,180,824)**	**11,770,463**

17d Deferred income tax

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 25% (2022: 25%).

The movement on the deferred income tax asset account is as follows:

	31 December 2023	31 December 2022
Balance at the beginning of the year	5,972,411	11,954,306
Current year movement	(47,329)	(5,981,895)
	5,925,082	**5,972,411**

17 Income taxes (continued)

17e Deferred income tax assets are attributable to the following:

	1 January 2023	(Charge) / Credit to profit or loss	31 December 2023
Property and equipment	1,371,257	(599,784)	771,473
Right of use and lease liability	(1,058,262)	463,005	(595,257)
Allowance for loan losses	3,389,533	9,081,285	12,470,818
Other timing differences arising during the year	2,269,884	(8,991,835)	(6,721,951)
Net deferred income tax assets	**5,972,411**	**(47,329)**	**5,925,082**

	1 January 2022	(Charge) / Credit to profit or loss	31 December 2022
Property and equipment	(58,361)	1,429,618	1,371,257
Right of use and lease liability	-	(1,058,262)	(1,058,262)
Allowance for loan losses	4,714,546	(1,325,013)	3,389,533
Other timing differences arising during the year	7,298,121	(5,028,237)	2,269,884
Net deferred income tax assets	**11,954,306**	**(5,981,895)**	**5,972,411**

The Company expects to generate sufficient taxable profits to utilise the deferred tax asset based on historical profitability trends and management on future business prospects

		31 December 2023	31 December 2022
17f	Deferred tax asset to be recovered within 12 months	771,473	2,582,878
	Deferred tax asset to be recovered after more than 12 months	5,153,609	3,389,533
		5,925,082	**5,972,411**

18	**Borrowings**		
	Note program	194,474,689	273,388,241
	Term loans	84,660,504	109,682,908
	Overdraft facilities	26,441,920	8,042,407
	Letshego Holdings Limited	111,539,207	123,227,106
	Development funding institutions (DFI's)	179,028,357	137,834,279
		596,144,677	**652,174,941**
18a	Current	160,891,251	78,260,993
	Non-current	435,253,426	573,913,948
		596,144,677	**652,174,941**

18 Borrowings (continued)

18b Year ended 2023	**Note Program**	**Term Loans and Overdraft**	**Letshego Holdings Ltd.**	**Development Funding Institutions**	**Total**
At 1 January	273,388,099	117,725,315	123,227,106	137,834,421	652,174,941
Drawdown	-	95,293,532	22,992,600	47,520,000	165,806,132
Interest expense	47,717,891	31,716,493	10,322,188	25,735,901	115,492,473
Principal repayment	(76,000,400)	(99,836,214)	-	(44,550,000)	(220,386,614)
Transfer to share capital	-	-	(81,500,000)	-	(81,500,000)
Interest repayments	(50,631,043)	(33,796,702)		(25,440,595)	(109,868,340)
Exchange rate movement	-	-	36,497,455	37,928,630	74,426,085
31 December 2023	**194,474,547**	**111,102,424**	**111,539,349**	**179,028,357**	**596,144,677**

Year ended 2022	**Note Program**	**Term Loans**	**Letshego Holdings Ltd.**	**Development Funding Institutions**	**Total**
At 1 January	302,168,385	105,576,286	115,420,760	131,665,952	654,831,383
Drawdown	-	120,000,000	14,564,131	-	134,564,131
Interest expense	55,004,671	38,362,072	6,795,131	18,597,677	118,759,551
Principal repayment	(28,034,500)	(111,327,832)	-	(35,612,390)	(174,974,722)
Transfer to share capital	-	-	(50,000,000)	-	(50,000,000)
Interest repayments	(55,750,457)	(34,885,211)	-	(13,229,418)	(103,865,086)
Exchange rate movement	-	-	36,447,084	36,412,600	72,859,684
31 December 2022	**273,388,099**	**117,725,315**	**123,227,106**	**137,834,421**	**652,174,941**

Note Programme (MTN)

A total of GHS 194,474,689 of senior unsecured bonds was outstanding under the medium term notes program listed on the Ghana Fixed Income Market (GFIM) of the Ghana Stock Exchange. Interest is payable on the bonds bi-annually based on a combination of fixed and variable rates which were referenced to the 182-day treasury rate issued by the Bank of Ghana.

The Company has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 reporting periods.

Letshego Holding Limited

The Letshego Holdings Limited loan is a facility advanced by the parent company. The average interest rates and tenure of the loans is variable and linked to the Secured overnight financing rate (SOFR) and average tenor of 36 months. The loan is denominated in foreign currency (USD) and the loan balance as at December 31, 2023 is GHS111,539,207

Term Loans

The Term loan balance as at December 31, 2021 is GHS 84,660,504. These are local currency facilities from commercial banks with tenors between 12 to 36 months at an average interest rate of 36% pa following the increase in reference rates.

Development Funding Institution (DFI's)

We received funding from three Development Funding Institution amounting to GHS 179,028,357. These are facilities with tenors between 36 to 48 months with an average interest rate of 9% pa.

19 Stated capital

The authorised shares of the Company is 100,000,000 ordinary shares, out of which 39,138,275 have been issued as follows:

	31 December 2023		31 December 2022	
	Number of shares	Proceeds	Number of shares	Proceeds
As at 1st January	19,453,968	80,546,314	9,453,968	30,546,314
Additional share capital raised during the year	19,684,307	81,500,000	10,000,000	50,000,000
	39,138,275	**162,046,314**	**19,453,968**	**80,546,314**

Ordinary shares are classified as "stated capital" in "equity".

There was addition of Ghs 81,500,000 to the stated capital during the year.

There are no unpaid liability on shares at the reporting date. There were no shares held in treasury at year end (2022: Nil).

20 Earnings / (loss) per share

The calculation of basic and diluted earnings per share as at 31 December 2023 was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares calculated as follows:

	31 December 2023	31 December 2022
Profit / (loss) attributable to equity holders	**66,174,653**	**(37,121,955)**
Weighted average number of shares issued	26,015,404	12,787,301
Basic earnings / (loss) per share	2.54	(2.90)
Diluted earnings / (loss) per share	2.54	(2.90)

21 Retained earnings

The retained earnings represent earnings retained by the Company. The retained earnings is shown as part of statement of changes in equity.

22 Statutory reserves

This is a non-distributable reserve representing transfer of 50% of profit after tax. It is an accumulation of amounts set aside in accordance with Section 34 of the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930). The movement is included in the statement of changes in equity.

	31 December 2023	31 December 2022
Balance as at 1 January	51,321,485	51,321,485
Movement during the year	33,087,326	-
At 31 December	**84,408,811**	**51,321,485**

23 Credit Risk Reserve

The credit risk reserve is a non-distributable reserve required by Bank of Ghana to account for difference between impairment loss on financial assets as per IFRS and the specific and the general impairment loss on loans and advances and contingent liabilities per the Central Bank's prudential guidelines.

	31 December 2023	*Restated 31 December 2022
Balance as at 1 January	-	-
Movement during the year	4,826,787	-
At 31 December	**4,826,787**	**-**

Reconciliation between Bank of Ghana impairment allowance and IFRS impairment

Bank of Ghana impairment allowance for loans and advances	52,693,511	56,694,870
IFRS Impairment for loans and advances at 31 December	47,866,724	61,928,414
Credit risk reserve at 31 December	**4,826,787**	**(5,233,544)**

As a result of the restatement of prior year, the IFRS 9 impairment for loan and advances were higher than the regulatory provision and therefore adjusted accordingly. Refer to note 37 for details.

24 Share based payment reserve

Shares granted in terms of the Long-Term Incentive Plan (LTIP) may not exceed 10% of the issued ordinary shares of the Company. The maximum number of shares which can be allocated to any individual participant under the scheme is 1% of the issued ordinary shares of the Company.

As at 31 December 2023, there were no awards were outstanding (2022: nil)

Share based payment reserve	31 December 2023		31 December 2022	
25b	Fair values	Number of awards	Fair values	Number of awards
Reconciliation of outstanding awards				
Outstanding at beginning of the period	-	-	773,380	4,827,014
Granted during the year	-	-	-	1,401,313
Exercised during the year	-	-	-	(419,485)
Forfeited due to not meeting performance	-	-	-	(343,215)
P&L movement	-	-	-	-
Forfeited due to resignations	-	-	(773,380)	(5,465,627)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

		31 December 2023	31 December 2022
25	**Interest income at effective interest rate**		
	Loans and advances to customers	536,879,211	426,099,739
	Investment securities	13,656,716	16,202,184
		550,535,927	**442,301,923**
26b	**Other interest and similar income**		
	Interest on bank deposits	1,478,113	977,894
		1,478,113	**977,894**
26	**Fee and commission income**		
	Insurance commissions	27,217,446	18,406,757
	Processing fee	14,779,038	-
		41,996,484	**18,406,757**
27	**Other operating (loss) / income**		
	Gain on disposal of assets	-	234,700
	Other income	1,555,139	57,861
	Net foreign exchange (loss) / gain	(7,837,933)	49,731,089
		(6,282,794)	**50,023,650**
28	**Interest expense at effective interest rate**		
	Note program	47,717,891	55,004,671
	Related party loan	10,322,188	6,795,131
	Interest expense on mobile loans	273,991,021	237,170,565
	Term loans	30,528,372	38,362,072
	Bank overdraft	1,188,121	4,252,571
	Direct funding institutions (DFI's)	25,735,901	18,597,677
	Customer deposits	17,681,361	14,292,426
		407,164,855	**374,475,113**
29b	**Interest and similar expense**		
	Interest expense on lease liabilities	133,709	358,265
		133,709	**358,265**
29	**Net loss on financial liabilities at fair value through profit or loss**		
	Net loss on financial liabilities at fair value through profit or loss	**3,282,898**	**-**
30	**Collection commissions**		
	Collections commission	60,225,169	34,661,397
		60,225,169	**34,661,397**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

		31 December 2023	*Restated 31 December 2022
31	**Credit gain / (loss) expense on loans and advances**		
	Impairment provision	(14,061,690)	36,588,684
	Write offs	6,835,188	27,636,981
	Recoveries	(10,877,656)	(16,393,994)
		(18,104,158)	**47,831,671**

The Company writes off a loan when it has been determined that the loans are uncollectable. All write offs must be approved by Board of Directors and Bank of Ghana. During the current year GHS 6.8 million was approved for write off.

32	**Personnel expenses**		
	Wages and salaries	10,761,881	8,338,314
	Employer pension contributions	1,860,137	1,755,293
	Share based payment	-	(773,380)
	Staff incentives and bonus	2,990,844	1,501,389
	Directors remuneration - management services (executives)	555,922	1,831,199
	Staff retrenchment cost	4,457,069	-
	Other staff related costs **	3,523,863	3,863,670
		24,149,716	**16,516,485**

Other staff costs comprises of: medical cover, staff training, welfare, relocation expenses and others.

Average number of full time employees during the year	122	190

		31 December 2023	31 December 2022
33	**Operating expenses**		
	Advertising	3,161,099	4,569,473
	Auditors' remuneration	775,548	408,365
	Bank charges	737,029	780,725
	Computer and technology costs	4,841,649	-
	Depreciation and amortisation	2,159,832	2,420,608
	Depreciation right of use assets	3,344,083	3,636,434
	Directors' remuneration	184,500	184,188
	Donation	117,948	90,662
	Foreign exchange loss	-	116,236
	Insurance	412,416	162,456
	Motor vehicle expenses	1,576,763	2,127,387
	Office expenses	1,311,018	542,414
	Other expenses	4,905,732	2,311,161
	Penalties and fines	67,009	9,404
	Professional fees	4,124,114	4,690,862
	Printing and Stationery	181,357	149,073
	Repairs and maintenance	247,695	285,933
	Stamp Duty	815,000	250,000
	Subscriptions and licenses	682,023	1,191,050
	Short term rentals	945,122	96,679
	Telephone and internet expenses	1,744,694	1,719,711
	Travel and accommodation	893,349	909,865
	Water and electricity	931,750	707,254
		34,159,730	**27,359,940**

Other expenses comprises of: equipment rental, short term rental, postage and deliveries and others. Penalties and fines include GHS 60,000 paid to Bank of Ghana which relates to non-compliance with sections of the Banks and Specialised deposit institutions and Corporate Governance Act.

		31 December 2023	31 December 2022
34 Credit (gain) / loss on investment securities			
Investment securities		**(6,666,074)**	**30,943,445**

35 Cash generated from operating activities

Operating activities

	Note	31 December 2023	31 December 2022
Profit before tax		83,381,885	(20,436,092)
Adjustments for:			
Depreciation of property and equipment	9	1,620,998	1,645,450
Depreciation of right of use assets	10	3,344,083	3,636,434
Amortisation of intangible assets	11	538,834	775,158
Interest earned on treasury bonds	6	(13,656,716)	(16,202,184)
Net foreign exchange movement		70,715,957	(27,096,593)
Gain on disposal of property and equipment	27	-	(234,700)
Interest expense on borrowings	18	115,492,473	118,759,551
Interest expense on lease liabilities	15	115,557	358,265
Impairment (release) / charge on loans and advances	31	(7,226,502)	64,225,665
Share-based payment expense	24	-	(773,380)
Impairment (write back) / charge on investment securities	6	(6,666,074)	30,943,445
Changes in working capital:			
Increase in loans and advances to customers	7	(295,777,018)	(16,417,801)
(Increase) / decrease in other assets	8	(48,741,820)	12,346,653
Increase / (decrease) in customer deposits	12	168,294,916	(98,854,547)
Increase / (decrease) in other liabilities	13	3,211,440	(19,415,943)
Increase / (decrease) in collateral deposit	16	133,012,739	(98,170,412)
Cash flows from operations		**207,660,752**	**(64,911,031)**

36 Related party transactions

	31 December 2023	31 December 2022
Loan from related party		
Letshego Holdings Limited - drawdown	22,992,600	14,564,131
Letshego Holdings Limited - repayment	-	-
Interest payment to related party		
Letshego Holdings Limited - interest accrued	11,970,210	6,795,131
Letshego Holdings Limited - interest payment	-	-

36.1 *Key management personnel compensation*

Remuneration is paid to directors in the form of fees to non-executive directors and salaries to directors of the Company. Directors' emoluments are disclosed in note 34.

	31 December 2023	31 December 2022
Short-term employee benefits	555,922	1,831,199
Fees for services as directors	184,500	184,188
	740,422	**2,015,387**

37 Correction of prior period expected credit losses error

During the financial years 2019 to 2022, the calculation of the Expected Credit Loss Allowance at the previous reporting dates incorrectly included a discount factor to Stage 3 exposures at default. Since the default date for Stage 3 exposures has already occurred, no discount factor should therefore be applied to Stage 3 exposures at default to calculate the Expected Credit Loss Allowance at a reporting date.

This error was corrected retrospectively in accordance with IAS 8 Accounting policies, changes in accounting estimates and errors as follows:

Impact on Statement of Financial Position

	31 December 2022, as previously reported	Effect of restatement	31 December 2022, as restated	31 December 2021, as previously reported	Effect of restatement	1 January 2022, as restated
Advances to customers	852,877,488	(34,438,646)	818,438,842	872,728,249	(6,481,543)	866,246,706
Total assets	**1,124,561,059**	**(34,438,646)**	**1,090,122,413**	**1,319,414,862**	**(6,481,543)**	**1,312,933,319**
Retained earnings	11,172,719	(17,189,043)	(6,016,324)	37,587,175	(6,481,543)	31,105,632
Credit risk reserve	17,249,604	(17,249,604)	-	-	-	-
Total equity	**160,290,122**	**(34,438,646)**	**125,851,476**	**120,228,354**	**(6,481,543)**	**113,746,811**

Impact on Statement of Profit or Loss and Other Comprehensive Income

	31 December 2022, as previously reported	Effect of restatement	31 December 2022, as restated
Credit loss expense on loans and advances	(19,874,568)	(27,957,103)	(47,831,671)
Net operating income	**51,397,436**	**(27,957,103)**	**23,440,333**
Profit / (loss) before tax	7,521,011	(27,957,103)	(20,436,092)
Loss for the year	**(9,164,852)**	**(27,957,103)**	**(37,121,955)**
Loss per share			
Basic and diluted	(0.72)	(2.19)	(2.90)

38 Contingent assets and liabilities

There were no contingent assets and liabilities at 31 December 2023 (2022: Nil).

39 Capital commitments

There were no capital commitments at 31 December 2023 (2022: Nil).

40 Events after reporting period

There were no material significant events after the reporting date that require disclosure in or adjustment to the financial statements for the year ended 31 December 2023.